

RECOMMENDATIONS

COMMISSION

COMMISSION RECOMMENDATION

of 3 October 2008

on the active inclusion of people excluded from the labour market

(notified under document number C(2008) 5737)

(2008/867/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 211 thereof,

Whereas:

- (1) Respect for human dignity is a founding principle of the European Union, among whose aims are the promotion of full employment and social progress, the combating of social exclusion and discrimination and the promotion of social justice and social protection. In accordance with Article 137(1)(h) of the Treaty, the Community has a role to play in supporting and complementing the activities of the Member States in the integration of persons excluded from the labour market. Article 34 of the Charter of Fundamental Rights of the European Union provides for the right to social and housing assistance so as to ensure a decent existence for all those who lack sufficient resources.
- (2) Council Recommendation 92/441/EEC of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems ⁽¹⁾ remains a reference instrument for Community policy in relation to poverty and social exclusion and has lost none of its relevance, although more needs to be done to implement it fully.
- (3) Since 1992 new policy instruments have emerged. One such instrument is the Open method of coordination on social protection and social inclusion (OMC), the objectives of which include the active social inclusion

of all, to be ensured by promoting participation in the labour market and by fighting poverty and exclusion among the most marginalised people and groups ⁽²⁾. Another instrument is the European employment strategy, which aims, *inter alia*, to strengthen social inclusion, fight poverty, prevent exclusion from the labour market and support integration into employment of people at a disadvantage ⁽³⁾.

- (4) The persistence of poverty and joblessness and the growing complexities of multiple disadvantages call for comprehensive, integrated policies ⁽⁴⁾. With a view to modernising social protection systems, adequate income support needs to be combined with a link to the labour market and access to quality services in an integrated active inclusion strategy ⁽⁵⁾. This strategy is fully complementary to the flexicurity approach, while targeting those excluded from the labour market. It contributes to the Lisbon strategy by facilitating the activation and the mobility of the workforce, and represents a building block in the social dimension of the EU's sustainable development strategy ⁽⁶⁾.

⁽²⁾ Communication COM(2005) 706 — Working together, working better: a new framework for the open coordination of social protection and inclusion policies in the European Union.

⁽³⁾ Council Decision of 7 July 2008 on Guidelines for the employment policies of the Member States, Council Document 10614/2/082008 (not yet published in the Official Journal).

⁽⁴⁾ Communications COM(2007) 620 — Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market, and COM(2005) 33 on the social agenda.

⁽⁵⁾ Communication COM(2006) 44 — Concerning a consultation on action at EU level to promote the active inclusion of the people furthest from the labour market.

⁽⁶⁾ Communication COM(2007) 620 — Presidency conclusions of Brussels European Council of 14 December 2007 and SPC orientation note on active inclusion of 3 July 2008. In particular, see also Council Conclusions of 5 December 2007, Document 16139/07; opinion of the Committee of the Regions of 18 June 2008 on Active Inclusion (Doc. CdR 344/2007); opinion of the European Economic and Social Committee of 27 October 2007 on minimum social standards (Doc. CESE 892/2007).

⁽¹⁾ OJ L 245, 26.8.1992, p. 46.

- (5) Consideration should be given to national priorities and the availability of financial resources when this Recommendation is gradually implemented.
- (6) This Recommendation and the implementation of the common principles set out herein are without prejudice to the application of Community law, including State aid rules and the General block exemption Regulation⁽¹⁾, and the Community rules on the award of public contracts.
- (7) In accordance with the principle of subsidiarity, the Member States are responsible for defining the level of income support and for establishing the appropriate policy mix in the light of the different situations and needs at local, regional and national level,
- providers, in the development, implementation and evaluation of strategies.
3. Ensure that active inclusion policies:
- (a) support the implementation of fundamental rights;
- (b) promote gender equality and equal opportunities for all;
- (c) take careful consideration of the complexities of multiple disadvantages and the specific situations and needs of the various vulnerable groups;
- (d) take due account of local and regional circumstances and improve territorial cohesion;
- (e) be consistent with a lifecycle approach to social and employment policies so they can support intergenerational solidarity and break the intergenerational transmission of poverty.

HEREBY RECOMMENDS THAT THE MEMBER STATES SHOULD:

1. Design and implement an integrated comprehensive strategy for the active inclusion of people excluded from the labour market combining adequate income support, inclusive labour markets and access to quality services. Active inclusion policies should facilitate the integration into sustainable, quality employment of those who can work and provide resources which are sufficient to live in dignity, together with support for social participation, for those who cannot.
2. Ensure the effectiveness of integrated active inclusion policies through:
 - (a) comprehensive policy design defining the right mix of the three strands of the active inclusion strategy, taking account of their joint impact on the social and economic integration of disadvantaged people and their possible interrelationships, including synergies and trade-offs;
 - (b) integrated implementation across the three strands of the active inclusion strategy to effectively address the multi-faceted causes of poverty and social exclusion and enhance coordination between public agencies and services which deliver active inclusion policies;
 - (c) policy coordination among local, regional, national and EU authorities in the light of their particular roles, competences and priorities;
 - (d) active participation of all other relevant actors, including those affected by poverty and social exclusion, the social partners, non-governmental organisations and service
4. Organise and implement integrated active inclusion policies in accordance with the following common principles and guidelines for each strand, while respecting the principle of subsidiarity and their different situations, needs and priorities without prejudice to the application of Community law, including State aid rules and the Community rules on the award of public contracts.
 - (a) *Adequate income support*

Recognise the individual's basic right to resources and social assistance sufficient to lead a life that is compatible with human dignity as part of a comprehensive, consistent drive to combat social exclusion.

 - (i) Review their social protection systems, as necessary, in the light of the *common principles* listed in paragraph B of Recommendation 92/441/EEC. In particular, under an active inclusion strategy, the right to sufficient resources should:
 - be combined with active availability for work or for vocational training with a view to obtaining work in the case of persons whose conditions permit such active availability, or be subject, where appropriate, to economic and social integration measures in the case of other persons,
 - be combined with policies deemed necessary, at national level, for the economic and social integration of those concerned.

⁽¹⁾ Commission Regulation (EC) No 800/2008 of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (OJ L 214, 9.8.2008, p. 3).

(ii) Ensure the implementation of that right in accordance with the *practical guidelines* in paragraphs C(1), C(2) and C(3) of Recommendation 92/441/EEC. In particular, when the resources necessary to lead a life of dignity are determined, living standards and price levels by type and size of household in the Member State concerned should be taken into account using the appropriate national indicators. Within an active inclusion framework, an incentive to seek employment for persons whose condition renders them fit for work should be safeguarded and the amounts adjusted or supplemented to meet specific needs.

(b) *Inclusive labour markets*

Adopt arrangements covering persons whose condition renders them fit for work to ensure they receive effective help to enter or re-enter and stay in employment that corresponds to their work capacity.

(i) Promote the following *common principles* in the context of active inclusion strategies:

- address the *needs of people* excluded from the labour market in order to facilitate their progressive reintegration into society and into the labour market and to enhance their employability,
- take the necessary measures to promote *inclusive labour markets* in order to ensure access to employment is an opportunity open for all,
- promote *quality jobs*, including pay and benefits, working conditions, health and safety, access to lifelong learning and career prospects, in particular with a view to preventing in-work poverty,
- tackle labour market segmentation by promoting *job retention and advancement*.

(ii) Implement these principles through the following *practical guidelines*:

- expand and improve investment in human capital through inclusive education and training policies, including effective lifelong strategies; adapt education and training systems in response to new competence requirements, and the need for digital skills,
- active and preventive labour market measures, including tailored, personalised, responsive services and support involving early identification

of needs, job-search assistance, guidance and training, and motivation to seek a job actively,

- continually review the incentives and disincentives resulting from tax and benefit systems, including the management and conditionality of benefits and a significant reduction in high marginal effective tax rates, in particular for those with low incomes, while ensuring adequate levels of social protection,
- provide support for the social economy and sheltered employment as a vital source of entry jobs for disadvantaged people, promote financial inclusion and microloans, financial incentives for employers to recruit, the development of new sources of jobs in services, particularly at local level, and raise awareness of labour market inclusiveness,
- promote adaptability and provide in-work support and a supportive environment, including attention to health and well-being, non-discrimination and the application of labour law in conjunction with social dialogue.

(c) *Access to quality services*

Take every measure to enable those concerned, in accordance with the relevant national provisions, to receive appropriate social support through access to quality services. In particular, measures should be taken to:

provide services which are essential to supporting active social and economic inclusion policies, including social assistance services, employment and training services, housing support and social housing, childcare, long-term care services and health services in accordance with the following *common principles*, taking the role of local, regional and national authorities, applicable Community rules and the different situations, needs and preferences in the Member States into account:

- territorial availability, physical accessibility, affordability,
- solidarity, equal opportunities for service users and employees, and due account for diversity of users,
- investment in human capital, working conditions, and adequate physical infrastructure,
- comprehensive and coordinated services, conceived and delivered in an integrated manner,

- users' involvement and personalised approaches to meet the multiple needs of people as individuals,
- monitoring and performance evaluation and sharing of best practice.

5. Guarantee the relevant resources and benefits under the social protection arrangements; use the provisions and resources of the Structural Funds, in particular the European Social Fund, to support active inclusion measures.

Lay down detailed arrangements and finance costs and organise their administration and implementation in accordance with national legislation and/or practice.

Take economic and budgetary constraints, the priorities set by national authorities and the state of public finances into account in order to strike the right balance between work incentives, poverty alleviation and sustainable budgetary costs.

Take the necessary measures to ensure that all, including the least privileged, are informed of their rights and of the support available, with the aid, where appropriate, of information technologies.

Simplify as far as possible the administrative procedures and arrangements for examining resources and situations.

Where possible, organise in accordance with national provisions the machinery for appeals before the competent administrative authorities and, where necessary, independent third parties, such as tribunals, to which the persons concerned should have easy access.

6. Improve indicators and information systems in order to upgrade capacity to produce up-to-date, comparable information across all the active inclusion pillars.

Monitor and evaluate active inclusion policies under the open method of coordination on the basis of close cooperation between the Social Protection Committee and the Employment Committee and with support from the Progress programme.

Ensure consistency with the Lisbon strategy's overall policy in relation to the social cohesion objectives.

This Recommendation is addressed to the Member States.

Done at Brussels, 3 October 2008.

For the Commission
Vladimír ŠPIDLA
Member of the Commission