



European Trade Union Confederation (ETUC)  
Confédération européenne des syndicats (CES)

EC187/EN/6

## EXECUTIVE COMMITTEE

Brussels, 9-10 March 2010

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Agenda item 6

### **INCLUSIVE LABOUR MARKETS – Adoption for agreement**

**Annexes:**

- Recommendations to public authorities and other actors
- References

The Executive Committee is requested to adopt the attached agreement.

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## **Draft Agreement of 9 December 2009 on Inclusive Labour Markets - Explanatory Note -**

The purpose of this note is to review the various issues and outcomes of the agreement on inclusive labour markets.

The negotiations ended on 9 December 2009, having lasted 14 months.

### 1. Negotiation timetable

The first negotiation session took place on 17 October 2008. Fifteen meetings later, the negotiations culminated on 9 December 2009 in a “draft agreement” that will be submitted to the ETUC’s bodies at the Executive Committee meeting in March 2010.

At its meetings held between these two dates, the Executive Committee was regularly informed about the various stages of the negotiations (December 2008, March, October and December 2009).

### 2. Group covered by the agreement

The first issue related to the group covered by the agreement.

The two delegations – trade unions and employers – differed in their approaches.

- **In the employers’ view**, the aim was to focus on the **people most excluded** from the labour market, in order to avoid too many commitments for the social partners and shift the burden of responsibility onto other actors, such as public authorities. Some of the factors involved do indeed lie outside the remit of the social partners, falling instead under the heading of **social inclusion policies**.
- **At the ETUC**, we chose to focus on our responsibilities, i.e. to **prioritise** the people **on the margins** of the labour market by finding ways to make it easier for them to get into work (“**curative**” approach) but also to **expand** the scope of the agreement to cover people who **are in** employment, with the aim of ensuring that they remain and develop in their jobs (“**preventive**” approach).

In accordance with its mandate, the ETUC delegation did not limit itself to specific categories nor did it allow itself to be bound by an approach focused on those furthest from the labour market.

► **The option chosen was that of the ETUC.**

3. Compliance with the mandate (Executive Committee meeting of 29 September 2008)

In accordance with the mandate, the draft agreement has the objective of promoting measures to make it easier for individuals **to enter, remain and develop** in the labour market.

Our mandate also stipulates that the agreement must cover **all workers** with an employment contract or relationship as well as those on the margins. Moreover, the agreement must not address this issue based on target or specific groups, but must take a **more comprehensive approach** that will incorporate these groups anyway.

Lastly, it must lay down a number of general principles, objectives and **practical measures**, include provisions on enforcement, monitoring and assessment, and contain a non-regression clause

► **The draft agreement is true to this mandate.**

4. Basic content of the agreement: social partners' actions ("actions" section)

The draft agreement contains a threefold commitment applying to the social partners:

- Promote the creation of jobs and the employability of workers and jobseekers through various measures, actions and/or negotiations at all levels
- Deepen their reflections
- Find solutions and mobilise their members.

This commitment is fleshed out in the points contained in the proposed text ("actions" section), namely:

- Implement specific and effective recruitment methods and induction policies as well as ensure the right working conditions to welcome and support new entrants in the enterprise;
- Promote the diversity of the workforce (...);
- Disseminate information about availability of jobs and training schemes;
- Cooperate with the "third sector" to support those who encounter particular difficulties in relation to the labour market;
- Cooperate with education and training systems in order to better match the needs of the individual and those of the labour market, including better apprenticeship and traineeship contracts;
- Introduce individual competence development plans jointly elaborated by the employer and the worker, taking into account the specific situation of each employer (particularly SMEs);
- Promote means of recognition and validation of competences;
- Promote education and training, in particular through the acquisition of basic skills, and including the incorporation of literacy in training schemes;
- Improve the transparency and transferability of qualifications;
- Ensure transitions to employment, to facilitate geographical and occupational mobility and the efficiency of labour markets.

The action plan does not include the individual aspect that the employers were pushing for. Although the trade union delegation wished to include other points, the overall outcome of the negotiations is nonetheless positive since it offers a core set of

advances for the national negotiations. All of the sticking points (cf. next section), such as contractual arrangements and administrative deregulation, were left out of the text, including the annexes, whereas the concept of precariousness was incorporated at our request.

#### 5. Sticking points

The sticking points, some of which have been mentioned above, related to:

- the actual mandate;
- the target groups;
- the relative importance of individual and collective responsibilities;
- the desire for “social partner commitment”, not just a declaration of intent;
- “contractual arrangements” ...which the employers wished to include.

On each of these points, the delegation remained true to the mandate and avoided items that could cause problems for trade unions: the recommendations to public authorities are not part of the agreement and the social partner commitments (“actions” section) were strengthened in the last few sessions. The employers’ sticking points, in terms of both the joint actions and the recommendations, were removed.

#### 6. Advances secured

The main advances secured by our delegation are as follows:

- Vocational training and the reference to the social partners’ framework of actions
- Literacy and basic skills
- Collective supervision of the individual competence plans
- Recognition of occupational transitions
- Action plans, not just campaigns to improve the image of particular sectors
- Tailored recruitment, induction and support methods
- Training measures leading to qualifications, to avoid the loss of jobs and/or competences.

In short, the draft agreement, though the product of a European compromise, includes most of the points proposed by the trade unions.

In connection with our mandate, the draft agreement identifies:

- areas for social partner actions and negotiations at all levels;
- recommendations to public authorities and other partners on matters that, strictly speaking, lie outside the remit of the social partners.

Last but not least, in the current climate this agreement would be a significant political signal in the ETUC’s action campaign for job quality and ahead of the fight against poverty and social exclusion in 2010.

For all these reasons, the ETUC secretariat is issuing a positive recommendation about the draft agreement on inclusive labour markets.

# DRAFT AGREEMENT ON INCLUSIVE LABOUR MARKETS

9 December 2009

## 1. Introduction and context

Achieving an inclusive labour market is a multi-faceted challenge and a key concern for European social partners. Employers' and workers' representatives at all levels, as well as social dialogue, have an important role to play to address this challenge.

In the context of their European Social Dialogue Work Programme 2006-2008, and on the basis of their Joint Labour Market Analysis, European social partners agreed to negotiate an autonomous framework agreement on "inclusive labour markets".

The challenging economic and social climate in which this framework agreement has been negotiated in 2008-2009 further strengthens the impetus for social partners to work together to promote inclusive labour markets, to maximise the full potential of Europe's labour force and to increase employment rates and to improve job quality, including through training and skills development. Inclusion is also an important element of Europe's response to long-term challenges, in particular demographic change, the shrinking working-age population and the sustainability of social protection systems. Inclusive labour markets are a way of taking advantage of new job opportunities such as those resulting from the 'greening' of the economy.

The European social partners consider that an inclusive labour market is fundamental in terms of fostering economic development and social cohesion.

### Shared responsibilities and role of other actors

The Framework Agreement is based on the principle that ensuring inclusive labour markets implies shared responsibilities of employers, individuals, workers, workers' and employers' representatives.

The social partners are aware of the fact that achieving an inclusive labour market does not depend exclusively on their action. Public authorities and other actors have responsibilities in terms of ensuring that there is a framework which encourages and promotes inclusive labour markets. In this context, measures are also necessary, for example in terms of education and training, health, housing, transport, regional and local development. Annex 1 contains a non-exhaustive list of recommendations to public authorities and other actors. Synergies and partnerships need to be developed between different actors in order to increase the effectiveness of such measures.

The European social partners furthermore highlight that, alongside this framework agreement, there exist several European legislative and non-legislative instruments of which the implementation and application is particularly relevant in order to achieve the aims and principles set out in this framework agreement. A non-exhaustive list of the instruments concerned can be found in annex 2.

## 2. Aim of the agreement

The main aim of the Framework Agreement is to:

- Consider the issues of access, return, retention and development with a view to achieving the full integration of individuals in the labour market;
- Increase the awareness, understanding and knowledge of employers, workers and their representatives of the benefits of inclusive labour markets;
- Provide workers, employers and their representatives at all levels with an action-oriented framework to identify obstacles to inclusive labour markets and solutions to overcome them.

## 3. Description and scope

Inclusive labour markets allow and encourage all people of working age to participate in paid work and provide a framework for their development.

This Framework Agreement covers those persons who encounter difficulties in entering, returning to or integrating into the labour market and those who, although in employment, are at risk of losing their job due to the factors referred to below.

The social partners recognise that these people face different challenges which require adapted measures. This Framework Agreement does not focus on specific groups. Instead it provides a general framework focusing on what can be done to enhance labour market inclusion.

Several factors or their combination may encourage or discourage labour market participation. These factors can be contextual, work-related or individual and they may evolve over time. There is no hierarchy between the different factors.

- Contextual factors are linked to the economic and labour market environment. These may be of structural or geographical nature such as employment opportunities, the existence and quality of care facilities and employment services, transport networks or housing, as well as the interplay between fiscal and social policies.
- Work-related factors include amongst others work organisation and work environment, recruitment processes, technological evolution and training policies.
- Individual factors are linked to aspects such as skills, qualification and education levels, motivation, language knowledge, health status and frequent or long unemployment periods.

## 4. Obstacles

Access, return, retention and development are fundamental steps to achieving the full integration of individuals in the labour market. Active inclusion depends on the way the labour market and society are organised as well as on the capacities, talents and motivation of individuals and organisations. The European social partners have

identified obstacles to an inclusive labour market. They do not necessarily occur simultaneously. Whilst not an exhaustive list, the issues set out below constitute challenges to achieving inclusive labour markets.

4.1 Obstacles regarding the **availability of information**: information regarding job seekers and available jobs, including that notified to employment agencies, whether public or private, as well as regarding the content and the conditions of the jobs, prospect for career development, training schemes and on how to access advice and guidance are all relevant. The information to employers about the existence of support measures to assist them in filling vacancies and initiatives regarding the image conveyed by a sector or a company are to be taken into account.

4.2 Obstacles regarding recruitment: ineffective **recruitment** methods in attracting a wide diversity of applicants for vacancies without discrimination, the effects on employability of frequent or long absences from the labour market, the existence of special advice and guidance in how to apply for and perform jobs are also identified.

4.3 Obstacles regarding **training, skills and capabilities**: the investment in or access to learning opportunities, the existence and/or recognition of individuals' skills (formal, informal, technical, social, language) and professional experience, the match between the training offered by education systems, vocational methods and the needs of the labour market are also important issues.

4.4 Obstacles regarding **responsibilities and attitudes of employers, workers, their representatives and job seekers**: motivation, self-confidence, anticipation of and adaptation to change, quality of information, consultation, internal communication and social dialogue, support and accompanying measures for those as identified in clause 2 as well as pressures from management, colleagues, customers and families are another group of obstacles.

4.5 Obstacles regarding **working life**: features such as working conditions and work organisation, work life balance policies and career development prospects are key issues.

4.6 There are also several factors going beyond the sole competences of social partners, which impact on the effectiveness of labour markets in integrating everybody of working age. Such factors, measures and policies can contribute to labour market inclusion and are developed in the recommendations in annex 1.

## 5. Social partners' actions

European social partners consider that labour market inclusion is an essential condition for cohesion, including the fight against poverty, and economic success.

As a solution to the obstacles identified, achieving inclusive labour markets entails various measures, actions and/or negotiations at all levels, which can be taken by employers, workers, their representatives, jobseekers and third parties. These should promote the creation of jobs and the employability of workers and jobseekers with a view to integrating all individuals in the labour market.

The European social partners recognise that they have a responsibility to deepen their reflections and engage themselves to find solutions and mobilise their members.

The purpose of their exchanges, joint opinions and recommendations in this field is to strengthen access, retention, return and development of people in a precarious situation in relation to employment.

Such specific measures include for example:

- Organise where relevant awareness-raising campaigns and design action plans to improve and/or restore the image of a sector or occupation(s) in all their aspects;
- Organise where relevant awareness-raising campaigns and design tools to promote the diversity of the workforce;
- Disseminate information about availability of jobs and training schemes;
- Cooperate with the “third sector” to support those who encounter particular difficulties in relation to the labour market;
- Cooperate with education and training systems in order to better match the needs of the individual and those of the labour market, including by tackling the problems of basic skills (literacy and numeracy), promoting vocational education and training and measures to ease the transition between education and the labour market;
- Implement specific and effective recruitment methods and induction policies as well as ensure the right working conditions to welcome and support new entrants in the enterprise;
- Introduce individual competence development plans (in line with the framework of actions for the lifelong development of competences and qualifications) jointly elaborated by the employer and the worker, taking into account the specific situation of each employer, particularly SMEs, and worker. These plans identify the required competences of the worker in a given work situation; and, with shared responsibilities according to the individual situation, actions to develop the worker's competences.

- Improve transparency and transferability, both for the worker and for the enterprise, in order to facilitate geographical and occupational mobility and to increase the efficiency of labour markets:
  - By promoting the development of means of recognition and validation of competences,
  - By improving the transferability of qualifications to ensure transitions to employment;
- Promote more and better apprenticeship and traineeship contracts

## 6. Implementation and follow-up

This framework agreement is an autonomous initiative and the result of negotiations between the European social partners as part of their social dialogue work programmes for 2006-2008 and 2009-2010.

In the context of article 155 of the Treaty, this autonomous European framework agreement commits the members of BUSINESSEUROPE, UEAPME, CEEP and ETUC (and the liaison committee EUROCADRES/CEC) to promote and implement it in accordance with the procedures and practices specific to management and labour in the Member States and in the countries of the European Economic Area.

The signatory parties also invite their member organisations in candidate countries to implement this agreement.

The implementation of this agreement will be carried out within three years after the date of signature of this agreement.

Member organisations will report on the implementation of this agreement to the Social Dialogue Committee. During the first three years after the date of signature of this agreement, the Social Dialogue Committee will prepare and adopt a yearly table summarising the on-going implementation of the agreement. A full report on the implementation actions taken will be prepared by the Social Dialogue Committee and adopted by the European social partners during the fourth year.

The signatory parties shall evaluate and review the agreement any time after the five years following the date of signature, if requested by one of them.

In case of questions on the content of this agreement, member organisations involved can jointly or separately refer to the signatory parties, who will jointly or separately reply.

When implementing this agreement, the members of the signatory parties avoid unnecessary burdens on SMEs.

Implementation of this agreement does not constitute valid grounds to reduce the general level of protection afforded to workers in the field of this agreement.

This agreement does not prejudice the right of social partners to conclude, at the appropriate level, including European level, agreements adapting and/or complementing this agreement in a manner which will take note of the specific needs of the social partners concerned.

## Annex 1: Recommendations to public authorities and other actors

The European social partners recommend that the Member States should design and implement comprehensive policies to promote inclusive labour markets. Wherever possible and taking into account national specificities, social partners must be involved at the appropriate level in measures to address:

### **1. The extent and quality of specific transitional measures for people who encounter difficulties in the labour market**

- Provide support and incentives for people furthest from the labour market to find a job;
- Provide support and incentives for employers to hire people furthest from the labour market and empower social partners to remove obstacles to employing such people;
- 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;
- Make effective use of existing financial instruments, including the European Social Fund, to promote and fund policies aimed at the integration of disadvantaged people in employment.

### **2. The effectiveness of employment and career advice services**

- Increase the availability and quality of career advice services to help and support jobseekers to find a job and provide workers with the necessary skills;
- Create the necessary resources to develop high-quality active labour market policies aimed at an early activation of the unemployed so as to improve their skills and minimise unemployment spells;
- Provide additional tailor-made measures to prevent or curb long-term unemployment;
- Improve the quality of activation measures in order to maximise their efficiency and effectiveness.

### **3. Education and Training**

- Make education and training systems better adapted to the needs of the individual and the labour market;
- Promote the parity of esteem and the permeability between vocational education and training and other forms of education, including higher education;
- Increase the effectiveness and equity of educational systems with a view to reducing the number of early school leavers;
- Enhance the active participation of adults in further education and training, independent of their previous educational attainments;

- Improve the availability and quality of adequate training offers for individuals and employers, in particular taking into account the needs of SMEs and of people with the least qualifications;
- Improve the transparency and recognition of education and training qualifications at EU level;
- Support training schemes that better match job requirements and lead to qualifications in order to avoid whenever possible the loss of competences and/or jobs.

#### 4. **The adequacy of investment in territorial development**

- Support effective and full use of Community instruments, be it to develop regional infrastructures or to support transitions in sectors and areas affected by structural changes, such provided by the European Social Fund (ESF), the European Regional Development Fund (ERDF) and the European Globalisation Adjustment Fund (EGF).

#### 5. **The adequacy of access to transport / care / housing / education**

- Ensure the availability, affordability, sustainability and quality of social and physical infrastructures such as transport, care, schools and housing;
- Put in place the framework to develop workplace practices improving the work/life balance and in this way promote full use of the productive potential of the European labour force.

#### 6. **The relative ease or difficulty of starting, sustaining and expanding businesses**

- Facilitate business creation and development in order to maximise the potential for job creation in the EU. An improved environment should allow entrepreneurs to invest in sustainable businesses;
- Ensure transparent information and minimise administrative burden and give adequate support for starters.

#### 7. **The role of tax and benefit systems**

- Examine and, where needed, implement the conditions so that the taxation and benefit systems aim to help people to enter, remain and develop in the labour market.

## Annex 2: References

As mentioned in Clause I on “Introduction”, the European social partners consider that, alongside this framework agreement, there exist several European legislative and non-legislative instruments whose implementation and application is particularly relevant in order to achieve the aims and principles set out in this framework agreement.

### European social partners’ texts

Framework of actions on for the lifelong development of competencies and qualifications (28/02/2002)

Framework agreement on telework (16/07/2002)

Framework agreement on work-related stress (08/10/2004)

Framework of actions on gender equality (01/03/2005)

Framework agreement on harassment and violence at work (26/04/2007)

Joint analysis on the key challenges facing European labour markets (18/10/2007)

### Decisions/Recommendations/Conclusions

Council Conclusions of 30 November 2009 “Promoting labour market inclusion – Recovering from the crisis and preparing for the post-2010 Lisbon Agenda”

Commission Recommendation of 3 October 2008 on the active inclusion of people excluded from the labour market 2008/867/EC (Official Journal L 307, 18/11/2008 P. 0011-0014).

Council Decision of 12 July 2005 on Guidelines for the employment policies of the Member States (2005/600/EC) (Official Journal L 205, 06/08/2005 P. 0021 – 0027) (in particular Guideline No 19: Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive)

Council Recommendation of 27 July 1992 on the convergence of social protection objectives and policies (92/442/EEC) (Official Journal L 245, 26/08/1992 P. 0049 – 0052)

Council Recommendation of 24 June 1992 on common criteria concerning sufficient resources and social assistance in social protection systems (92/441/EEC) (Official Journal L 245, 26/08/1992 P. 0046 – 0048)

## European Directives

Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008, p. 9-14)

Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) (OJ L 204, 26.7.2006, p. 23-36)

Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 303, 2.12.2000, p. 16-22)

Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin (OJ L 180, 19.7.2000, p. 22-26)

Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP (OJ L 175, 10.7.1999, p. 43-48)

Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC - Annex: Framework agreement on part-time work (OJ L 14, 20.1.1998, p. 9-14)

Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (OJ L 183, 29.6.1989, p. 1-8)