



**COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS
CONSEIL DES COMMUNES ET REGIONS D'EUROPE**

CEMR Response

**To the Public Consultation on the
Active Inclusion of People Furthest
from the Labour Market**

Brussels, February 2008

CEMR Response to the Public Consultation on the Active Inclusion of People Furthest from the Labour Market (COM (2007) 620 final)

Summary

On 17th October 2007, the European Commission launched the second stage consultation on *Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market*.

The consultation covers a broad and complex issue which is at the heart of local and regional government's responsibilities and competences. Active inclusion concerns municipalities and regions in their unique role of service providers and planners, promoters of economic development as well as local employers. For this reason, the Council of European Municipalities and Regions (CEMR) have elaborated the present response to express our members' views on the proposals outlined by the Commission in its Communication.

As it regards local and regional authorities as employers, CEMR and its Employers Platform (CEMR-EP) is a recognised partner in the European sectoral social dialogue for local and regional government. In this context, a joint CEMR/EPSU response has been adopted within the framework of the sectoral social dialogue committee on regional and local government, which provides the common views of both employers and unions in the regional and local administration on the issues covered by the consultation.

The Council of European Municipalities and Regions (CEMR) is the umbrella organisation of local and regional authorities federated through 49 national associations of local government in 36 European countries.

General comments

1. The Council of European Municipalities and Regions (CEMR) regards active inclusion as a key priority to ensure economic, territorial and social cohesion in Europe and therefore welcomes the Commission's second stage consultation on *Modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market*.
2. CEMR supports the three pillars approach to active inclusion, proposed by the European Commission, which focuses not only on employment-related measures but also recognises the role of public services and the need to ensure sufficient resources for a decent life.
3. CEMR endorses the proposed common principles on the three aspects of the active inclusion strategy (income support, inclusive labour market and quality public services), which are in line with the social inclusion and activation strategies already developed by local and regional authorities.
4. We would however like to stress that active inclusion can be effectively achieved only through regional and local-based solutions. Therefore, the definition of more detailed principles and standards should be agreed at regional or local level, taking account of the different social and economic contexts, institutional arrangements and traditions.
5. CEMR particularly welcomes the Commission's recognition of the fundamental role played by local government in promoting active inclusion.
6. We agree with the Commission's view that the active inclusion approach requires an integrated approach not only in terms of its components (the three pillars) but also with regards to its implementation through a partnership and inclusive implementation process, which should involve all relevant stakeholders, both public and private.
7. In line with the previous statement, we call on the Commission to ensure Member States establish an adequate and long-term dialogue with local and regional governments on those policies related to active inclusion and, more generally, to the EU social inclusion process.

8. With regards to action at EU level, we consider greater support is needed for the promotion of exchange of experiences and the benchmarking of best local and regional government practices in the areas of promoting social inclusion and increasing quality and accessibility of public services at local level.

Introduction

1. CEMR welcomes the debate launched by the present consultation, which stimulates reflexion on the importance and multidimensional nature of active inclusion. Addressing the needs of disadvantaged groups and supporting those who are 'outsiders' in the labour market represent a major challenge to all actors involved in the task of creating cohesive and inclusive societies.
2. Regional and local authorities play an essential role in this respect, as main responsible for a wide range of services aimed to promote active inclusion (welfare services, employment measures, education and training programmes, childcare, etc.). Municipalities and regions are not only responsible for the planning and provision of services but are also main actors in the promotion of economic development, job opportunities and well-being in their communities, working in partnership with other local stakeholders. They are therefore particularly concerned by the current EU debate on supporting the active inclusion of those furthest from the labour market.
3. The ever increasing responsibilities of local and regional authorities in supporting the most vulnerable groups respond to the recognition that social inclusion measures can be better designed and implemented at the government level closest to the citizens.
4. Vulnerable groups and those at the margins of the labour market suffer in most cases multiple disadvantage requiring personalised, sustained and intensive support. Their knowledge of local circumstances and their closest contact with the citizens allow municipalities to better address the specific needs of the most disadvantaged.
5. Over the past decades, municipalities and regions have been compelled to respond to the challenge of an increasingly diverse and changing population. The emergence of new social risks (due to changes in the family models, labour market transformation which has lead to a greater demand for high-skilled workers and have tightened the link between employment and skills/education, the increase in women's participation in paid work, an ageing population, changing migration patterns, etc.) demands from public authorities at regional and local level to think creative and to find new solutions in order to tackle them.
6. CEMR and its members have expressed on numerous occasions their commitment to respond to the needs of the most vulnerable and to provide them with the support they need. The European Charter for Equality of Women and Men in local life¹, signed by over 500 local

¹ Note: The [European Charter](#), which has been elaborated and promoted by CEMR, contains a wide range of commitments to promote gender equality, across the range of services and responsibilities of local authorities. It thus pleads for an integrated approach to gender equality in local life.

authorities across Europe, and the Declaration of The Hague on the regional and local dimension of citizenship and integration² are examples of this commitment.

Active inclusion as part of local development and inclusive labour market policies

7. Regional and local authorities act as catalysts of local development, mobilising all resources and actors to promote socio-economic development in their territories. Their initiatives to promote local employment, regeneration or business entrepreneurship with a view to create jobs and growth in their local areas are in many cases targeted at the most disadvantaged who lack the skills or whose personal or family circumstances do not allow them to access the labour market.
8. With their knowledge of the local economy and the socio-economic context of the area, local authorities are instrumental in matching the skills demanded by the local labour markets with those offered by local residents.
9. In doing so, it is crucial to engage successfully with the business community. Private companies, alongside public authorities and community organisations, have a responsibility towards the well-being and the development of their communities and therefore should play their role in supporting those who face difficulties in accessing the labour market.
10. A high proportion of the disadvantaged concentrate in deprived areas. Consequently, measures to support those individuals who are furthest from the labour market cannot be dissociated from action to promote the development of their neighbourhoods and communities, with high levels of social exclusion and deprivation.
11. Together with national and local funding programmes, EU cohesion instruments are important tools for the economic and social development of those regions and municipalities lagging behind. In our response to the public consultation on the future EU cohesion policy, CEMR has reiterated its support to a continuing and ambitious EU cohesion policy and has called for an increased involvement of Europe's

² The [Declaration](#) was launched in November 2007 in The Hague on the occasion of the joint CEMR/VNG conference on integration of migrants and active citizenship.

local and regional authorities in the planning, administration, delivery and monitoring of regional development policies and instruments.

12. In particular, the European Social Fund (ESF) can make a substantial contribution to help the disadvantaged overcome the barriers to access the labour market. In this respect, CEMR supports the Commission's intention to promote a more integrated approach in the use of ESF.

Access to quality services as a key instrument for active inclusion

13. CEMR welcomes the Commission's recognition of the crucial role played by public services in promoting active inclusion. We reiterate our outstanding support to ensuring affordable and quality public services to all citizens, including those with specific needs.
14. Municipalities and regions are engaged in a continued effort to improve the quality of their services. In doing so, they have already developed and implemented quality frameworks and standards designed both at national and local level. We consider that for quality framework and standards to be effective they need to be based on a bottom-up approach and adapted to the local context.
15. Citizens' demands as well as financial restraints are leading to a continuing process of modernisation of public services at local and regional level. This process is led by the aim of making services more effective and responsive to the needs of all citizens.
16. The challenge of responsiveness of public services is even more true when it comes to address and respond to the specific needs of the disadvantaged. The situation of multiple disadvantage most of them experience requires the development of personal action plans and services tailored to their needs. Mainstream services and programmes are not sufficient to provide them with the adequate support.
17. Responsiveness means ability to adapt to different demands. To do so, regional and local authorities should have the discretion and flexibility to decide on the best way to organise, commission and deliver their services. In this respect, we should note the increasing impact of EU internal market rules on public services.
18. CEMR does not believe that the Commission's Communication on "services of general interest, including social services of general interest", published in November 2007, and the accompanying document with questions and answers, are the right instruments to address and solve the problems at stake.

19. We therefore hope that following the ratification of the Lisbon Treaty the European Union, in close cooperation with the stakeholders concerned, will develop a solution providing a reasonable framework for local and regional authorities to organise, finance and deliver their services to all citizens.
20. On the other hand, we are most concerned that the responsibility for providing an increasing range of services for people in most need is often not coupled with additional financial resources, placing greater strain on local finances. In order to allow regional and local authorities to fulfil their role, sufficient financing should be secured to the regional and local government. This should be part of the criteria to define the quality of services.
21. As main providers of welfare services, the responsibility of supporting vulnerable groups falls to a large extent on the shoulders of municipalities and regions. This is particularly true in countries like Greece where there is not a minimum income scheme. In other countries, the tendency of employment services to focus on those closer to the labour market places additional pressure on welfare services provided by local authorities.

Towards an integrated approach

22. CEMR welcomes the balanced and integrated approach to active inclusion, based on the proposed three pillars. This approach shows that social inclusion does not only concern access to employment but a wider set of measures.
23. We consider this integrated approach should be reflected across the EU policies and initiatives (lifelong learning, flexicurity debate, etc.). We therefore call for greater synergies between the Lisbon and the EU social inclusion process.
24. At national level, an integrated approach requires taking into account the interferences and interactions between the different policy measures, mainly employment measures and benefits. In order to make work pay for those who are furthest from the labour market, local authorities should be given greater discretion over the distribution of benefits with a view to allow for further flexibility and better account of the local circumstances. In this respect, the experiences of Dutch and German local authorities show the way forward.
25. CEMR fully supports the idea that an integrated approach demands strong partnerships and strengthened cooperation between all actors at all levels. Recent positive developments in some countries

(for example, Norway and Finland³) seek to create more integrated approaches by bringing together employment and welfare services, involving both national and local agencies. These represent a challenge in terms of ensuring good coordination, defining common priorities and establishing a clear distribution of responsibilities between central and local administration. Close cooperation and partnership work are therefore essential.

The EU strategy on active inclusion

26. CEMR endorses the proposed common principles on active inclusion, which constitute an adequate framework for active inclusion policies. However, we consider that further work on more detailed principles is to be carried out at national and local level.
27. We agree that the Open Method of Coordination (OMC) is the best tool to take forward the EU strategy on active inclusion. The OMC has contributed so far to gain a common understanding on social inclusion issues across Europe. It has however lacked greater visibility and impact on the local and regional level.
28. We consider that the OMC needs to reconnect with the regional and local level. CEMR calls on the Commission to urge Member States to strengthen the dialogue with local and regional authorities on those issues covered by the EU strategy for active inclusion and, more generally, by the EU social inclusion process. This would allow for a better monitoring of progress on active inclusion by reinforcing the mechanisms existing at national level.
29. Bringing the OMC closer to the regional and local level should also mean greater possibilities for regions and municipalities to benefit from mutual learning and exchange of experiences. Learning from the good practices and experiences from other regions and municipalities is crucial to ensure future work builds on the lessons learnt and contributes to identify innovative and alternative ways to deal with common challenges.

³ In Norway, the Norwegian Labour and Welfare Organisation (NAV) was established in July 2006 as a result of the merger of the National Insurance Organisation, the National Employment Service and the local Welfare system. The new system is currently being rolling out. It is expected that by 2009 there will be a local NAV office in each municipality.

In Finland, the so-called Labour Force Centres have been established since 2004. They provide multi-professional support bringing together social and health services of local authorities, the national employment administration and the social insurance institution of the country.

30. CEMR has initiated work on transnational benchmarking of services with its members, which is proving to be very useful for local and regional authorities, and will continue this work in the future.
31. The proposal for the establishment of a Network of Local Observatories could contribute to this mutual learning process among regions and municipalities. In order to avoid duplication, CEMR is of the view that the Network should not lead to the creation of new structures but it should aim to improve the existing mechanisms both at national and EU level. It could constitute a flexible instrument for those interested regions and municipalities to carry out peer reviews, benchmarking exercises and exchange of experiences. As a European platform of regional and local government, CEMR would be pleased to be involved in further dialogue on the practical implementation of a Network of Local Observatories.