

## ETUC Resolution on the European Job Guarantee

Adopted at the Executive Committee Meeting of 6-7 December 2023

The ETUC supports the idea of a European Job Guarantee, which would provide employment opportunities for the long-term unemployed through a state-run programme for job seekers unable to find opportunities in the open labour market. The Job Guarantee should be built on the following main principles:

- Offering job opportunities that align with individual competencies and career aspirations;
- voluntary engagement of unemployed persons, with no conditionalities or sanction in the event of a refusal of job offers (like preventing access to unemployment benefits) and no repercussions for participants who choose to leave the job or programme;
- provision of quality job offers, with permanent contracts and wages and rights in line with “going rate”, “prevailing conditions” and the relevant collective agreement and national labour standards. Involvement in a job guarantee scheme should enhance the chances of reintegrating into the labour market and should not create a separate or parallel labour market.
- the programme should include long-term unemployed persons with a personalised approach and prioritising those more excluded or discriminated against from the labour market.
- participants should be granted the right to re-skilling and up-skilling, as well as pre-employment training and on-the-job training. Also, the programme should provide counselling to its participants and tackle gender-based discrimination and inequalities.
- and a territorial approach, with the meaningful involvement of trade unions in the design, implementation, and assessment of the programme. Other actors of the region should also participate, so as to ensure that the programme responds to the unmet needs of the territory, while maintaining a strong foundation in social dialogue.
- The Job Guarantee should not limit other programmes at local, regional or national level addressing long-term unemployment, especially if they are more favourable for long-term unemployed people.

The European Job Guarantee may be open to the involvement of any employer, whether from the private or public sector, profit or non-profit, providing that they adhere to the aforementioned principles and other social conditionalities that ensure social progress and quality jobs, that they have no recent unfair redundancies, or violations of workers’ rights, that they recognise trade unions and have no previous record of trade union busting or abuses. When considering the involvement of Local and Regional Governments as potential employers in these programmes, it is essential to accompany their participation with augmented financial and human resources support. This will enable the creation of directly employed, sustainable jobs, and provide adequate training opportunities. It is imperative to emphasise that the jobs created must address unmet needs in the territory, with a focus on social and environmental causes, to avoid competing with existing businesses and causing unfair competition.

By enacting a European Job Guarantee, the EU can effectively contribute to achieving the objectives outlined in the European Green Deal and to upholding the principles of the European Pillar of Social Rights. However, to become a genuine guarantee for the unemployed, it must be founded on the provision of high-quality jobs. As defined by the ETUC ([ETUC Resolution: Defining Quality Work: An ETUC action plan for more and better jobs](#)), such jobs encompass good wages, work security through standard employment and social protection, the right to lifelong learning, equal pay for work of equal value, safe and healthy working conditions, reasonable working hours with a healthy work-life balance, and the right to trade union representation and collective bargaining.

The implementation of a European Job Guarantee is expected to yield positive spillover effects in the territories where it operates. Notably, such a programme can contribute to the stabilisation of the economy and stimulate growth by offering more people employment, income, and the ability to contribute through consumption and taxation, thereby driving further return of the programme into society. It can also help reduce the strain on the social security system.

The involvement of social partners in the design, implementation, and evaluation of the Job Guarantee is crucial for its success, as trade unions hold valuable insights to the specific needs of the workers within each region. In order to guarantee full transparency of the offers provided, an observatory for the implementation of this programme with the participation of the above-mentioned actors and the corresponding Public Employment Services should be established.

We can draw valuable lessons from the European Youth Guarantee, which potential benefits have remained unfulfilled. According to ETUC, the implementation of the Youth Guarantee by several Member States has even led to a rise in precarious job conditions for young people and its financial resources were insufficiently allocated. Learning from this shortcoming, it becomes crucial for the European Commission to take all necessary measures to avoid such negative consequences at any costs when developing the European

Job Guarantee, by ensuring that its implementation is properly funded and it leads to quality jobs and substantial and sustainable improvements for its participants in the labour market.

The European Job Guarantee should consider the lessons from the implementation of the Council Recommendation on integrating the long-term unemployed into the labour market. This initiative fell short of expectations primarily due to inadequate provisions for the engagement of trade unions and social partnerships.

Drawing from the insights gained from our members' experiences (see annex I), the European Trade Union Confederation (ETUC) advocates for the establishment of a potential European Job Guarantee with the following key demands:

- Full employment rights: This includes the application of the collective agreements specific to the respective sector applicable to both companies and public sectors operating under the Job Guarantee.
- Voluntary nature of participation and comprehensive support: participation in job guarantee schemes shall be completely voluntary and must not involve any form of sanctions.
- Improved data collection: Enhancing the availability of data to evaluate the effectiveness of these programmes in improving the well-being of participants and communities and facilitating participants' integration into mainstream employment.
- Broadened scope of sector coverage: Ensuring that a comprehensive range of sectors is covered under the European Job Guarantee. In certain cases, an excessive reliance on the provision of neighbourhood services is observed, which often involve core tasks with low qualifications. While low-qualified workers may

constitute a larger proportion of the beneficiaries of this programme, the approach previously outlined should be avoided as a standard practice.

- Effective outreach to target groups: prioritising effective outreach and engagement with the target group, in a gender-responsive manner, particularly those individuals who have limited or no opportunities in the traditional labour market. Social partners should be involved in the definition of the target groups.

ETUC strongly advocates for the establishment of a European Job Guarantee as a means to address long-term unemployment. We strongly advocate for sufficient funding and that the funding for the European Job Guarantee comes from a dedicated allocation of EU budget. This approach ensures that the necessary resources for the programme are prioritised independently, without impacting other projects within the European Social Fund. While the initial budget assigned to the pilot project may be used to establish a network within existing European policies, the final programme's allocation should be aimed at generating direct employment opportunities and providing support to public employment services responsible for managing the initiative. In order to ensure quality implementation of the programme, the capacities of Public employment services have to be increased by investing in their human and financial resources. The primary allocation of funding for the European Job Guarantee should prioritise public and non-profit employers. ETUC calls for additional EU funding to be allocated for supporting Member states in providing Job Guarantee.

The European Commission has shown interest in the potential implementation of a European Job Guarantee. Currently, the Commission is actively developing a pilot project designed to establish a network that connects regions across the EU already operating similar programmes. Furthermore, the Commission has outlined provisions within the "Social Innovation Initiative" of the European Social Fund Plus (ESF+) for projects focused on "Demand-driven territorial approaches to tackle long-term unemployment." An allocated budget of EUR 34 million is earmarked for this purpose, and the call for such projects is expected to be officially published by the conclusion of 2024.

ETUC emphasises the importance of ensuring that the perspectives and demands of trade unions are taken into consideration by the European Commission. Whether the focus is on the development of projects that address the needs of final users or the establishment of networks that support existing practices, it is essential that the voices of workers and their representatives are heard and integrated into these programmes.

## **Annex: Trade union position on local/national Job Guarantee experiences**

Job Guarantee programmes already exist at various national and local levels, each bearing different names and scopes. These initiatives are present in Poland, Berlin, Austria, France, The Netherlands, and Belgium.

Trade unions have participated in these Job Guarantee schemes in various capacities. With their valuable input and assessments, we have compiled this overview of existing programmes and drawn valuable lessons.

### *The Berlin Model Project “Solidary Basic Income”*

#### Background:

It is important to know the background of the project in order to be able to assess it. Under the former SPD mayor Müller, the model project “Solidarity Basic Income” was introduced in 2019 not only as a project of publicly funded employment, but as a project with that could be used as a model for the restructuring of the welfare state, here the Hartz IV system. At that time, there was a virulent discussion in German social democracy about abolishing the Hartz IV system. Müller’s model project addressed the party’s desire to stop forcing the long-term unemployed into precarious jobs or measures with the pressure of sanctions and to offer meaningful alternatives. The core idea of the model project “Solidary Basic Income” was therefore to reduce long-term unemployment by placing the long-term unemployed in meaningful and at the same time non-precarious work on a voluntary basis. The model project was also aimed at future unemployed people whose jobs will be eliminated due to digitisation and technological changes.

The jobs offered on a voluntary basis to long-term unemployed persons under the “Solidarity Basic Income” belong to the sector of “welfare-oriented activities” that are of benefit to Berlin’s urban population and could not have been offered in this form without public funding. Participants in the model project initially receive an employment contract for a period of five years. The state of Berlin guarantees the continued employment of subsidised employees beyond the five-year period if the previous employer is unable to offer a follow-up perspective. Important elements of support are a wage subsidy for the employer and accompanying coaching. The project runs from 2019 to 2025 and supports 1000 people.

#### Assessment:

The reform of the citizen’s allowance has given priority to job placement in favour of further training, thus emphasising the need to secure the skilled labour force and the upward mobility of the long-term unemployed.

The Berlin model project is not suitable as a showcase project for the design of publicly funded employment, especially not in comparison with the standard funding instrument for participation in the labour market successfully introduced at the federal level from 2019.

Despite the subsidies, only a small proportion of those supported succeed in moving into regular employment; the impact on the labour market is small.

In the transformation of the world of work, employers must not be released from their social responsibility to invest in job security and the further training of their employees. The offer of publicly subsidised employment must not create false incentives for employers to simply “get rid of” their employees.

At present, there's uncertainty surrounding how the commitment made by the state of Berlin of continued employment can be fulfilled for individuals who haven't been able to find alternative job opportunities following the conclusion of the pilot phase.

« Territoires zéro chômeur de longue durée » in Belgium

Background:

The French concept of "*Territoires zéro chômeur de longue durée*" (TZCLD) has also been a topic of discussion in Belgium, particularly in the Walloon and Brussels-Capital regions. Both regions were keen on implementing this concept, and it was included in the federal government agreement at the end of 2019 as part of the market policy referred to as "place-based policies".

In Wallonia, the projects have commenced. These projects will be a combined effort between the region, and the European Social Fund (ESF) funds, and consist of continued unemployment benefit payments for the participating job seekers. In order to avoid the projects under this programme duplicating the many pre-existing worker integration schemes, a working group has been established including different actors to create a charter outlining the true dynamic of the TZCLD programme.

In the Brussels region, a pilot project has started in St-Agatha-Berchem based on "sustainable neighbourhood contracts", and it does not include the Brussels job placement service (Actiris). Therefore, this is a separate pilot project running in parallel to the likely federal project, along with the initial regional initiatives introduced in 2021. Details about the specific contract types and benefit retention remain unclear, and the project's explanation states its goal is "to assist long-term job seekers, on a voluntary basis, with fixed-term contracts to find employment in the 'Modern District' or immediate vicinity within a work enterprise".

Regarding the federal component, the social partners have persuaded the Minister of Labour to modify the original project. While the initial proposal did not involve a labour contract, it is now set to be a labour contract yet with limited rights, which will mean a unique type of labour agreement. Also, its implementation during this legislative session might be hindered due to budgeting issues that were not adequately anticipated. The National Labor Council will soon provide an opinion on this matter. Based on recent statements from the Minister of Employment's office, the intention is not to co-finance the Walloon and Brussels initiatives but to establish a parallel federal system. Consequently, there will be two types of projects at the local and regional level, and at the federal one.

The federal proposal for creating a support zone for long-term job seekers must meet the following two criteria simultaneously: the municipality's employment rate to be below the regional average and being among one-third of municipalities with the highest percentage of unemployed job seekers in the Region (or East Belgium).

Assessment:

According to ACV-CSC, this model presents significant shortcomings:

- It involves an employment contract but falls outside the scope of the Labor Contracts Act, Wage Protection Act, and collective bargaining law.
- There is no opportunity to negotiate improved terms through collective bargaining. This exclusion also means that the collective bargaining agreements of the National Labor Council (NAR) or sector-specific agreements do not apply.
- The compensation system is based on preventing employees from earning more than a minimum wage, even for tasks that are typically compensated better. This risks also the replacement of regular employment contracts with this sui generis employment contract that offers fewer rights. Therefore, it is essential to ensure that the local committee organising the employment of these job seekers includes representatives from workers' and employers' organizations.

- ACV - CSC will persist in monitoring legislative developments within the federal framework and endeavour to shape it, aiming to create an effective system that supports job seekers in need.

« Territoires zéro chômeur de longue durée » in France

Background:

Started with 10 pilot territories, a law passed at the end of 2020 extended the number of territories involved. The experiment currently involves 60 territories and would have enabled the creation of around 2,500 jobs, despite the steady increase in “*habilitations*” (prior authorization from the State, which is required for the opening of an initiative within the programme “*Territoire Zéro chômeur de longue durée*”). However, the government has recently decided to reduce the contribution per job, which is limiting the development of the scheme, and has announced an insufficient initial budget for 2024, subsequently corrected.

The original « *Territoires zéro chômeur de longue durée* » experience was guided by six core principles:

- Territorial inclusivity: In each area, all long-term unemployed individuals desiring employment were offered a job opportunity.
- Non-discriminatory hiring: Employment decisions were based on individual qualifications, skills, and aspirations.
- Job quality: The aim was to ensure job security through open-ended employment contracts.
- Flexible working hours: Each worker had the choice of determining their working hours, whether full-time or part-time.
- Training opportunities: Jobs also provided support for the development of new skills.
- Net job creation: The focus was on creating “additional jobs” – without competing with existing roles at the local level, bolstering the socio-economic fabric of the territory.

Assessment:

- The first official evaluation reports (2019) noted a number of shortcomings: recruitment of people only recently removed from the job market, uncertain economic model of the companies concerned, limited exercise of the right to training for beneficiaries, etc. A more recent report (2021) mentioned progress in the operation of the companies concerned and initial positive effects on the professional trajectories of beneficiaries. According to the latest data, just over 20% of the jobs concerned are occupied by people with disabilities, and 37% of the activities carried out by these companies are linked to the ecological transition.
- The evaluations were carried out when there were only 10 territories, and the next ones, which will take place by 2025 at the latest (an evaluation committee was set up in June 2023), will therefore be necessary and instructive to better identify the strengths and constraints of the experiment and find possible avenues for improvement to pursue the initial objectives.
- French trade unions expressed concern about the framework of open-ended employment contracts. These contracts were in fact limited to the life of the experiment, presenting a risk for job stability at the end of the experiment. However, the unions emphasised that the programme was aimed at those furthest from employment. They also welcome the positive participation of disabled workers. In this respect, it offers permanent jobs that are valuable and rewarding for this specific group. These positions offer not only a degree of stability, but also the possibility of acquiring rights. However, they are conceived

as stepping stones towards traditional employment, which requires full support and accompaniment.

- French trade unions have also opposed the measure limiting starting pay to the legal minimum wage, arguing for alignment with existing sectoral minimum wage levels and qualification requirements of the proposed job, thus guaranteeing fair compensation for program beneficiaries.
- The viability and budgetary adequacy of this experiment remain uncertain. A point that was noted by the Committee of Experts of the first experimental law. The assessment of the second law is currently underway. Such measures are essential to facilitate (re)integration into the job market and access to quality employment opportunities, or to ensure effective exercise of the right to training to secure prospects for the development of qualifications and, in extenso, salaries.
- For the French trade unions, the involvement of the public employment service and the social partners in these local committees is essential in the interests of beneficiaries and long-term jobseekers. However, committee involvement varies from one region to another.



“Basisbaan” Programme in Groningen (The Netherlands)

Background:

- The Basisbaan programme has been established by the municipality of Groningen with the aim of creating jobs that don't compete with existing private service offers.
- Participants in this programme are paid the minimum wage.
- The target groups are long-term unemployed individuals over 50, unable to secure jobs in the open labour market.
- The program is based on the principles that no one is unemployable and that local initiatives should emerge from the bottom-up. Also, jobs created within the programme should provide for the welfare of the community, while respecting the skills and preferences of its participants.
- Similar initiatives have been developed across the country following the Groningen experience, like the "*leerwerkbanen*" in Amsterdam and the "*STiP-banen*" in Den Haag.

Assessment:

- First and foremost, the FNV calls for the effective involvement of social partners in the set-up of programmes such as the Basisbaan, in order to prevent displacement and guarantee decent working conditions and workers' rights.
- FNV emphasises the necessity of clearly defining the target group and involving social partners in this definition.
- The union insists on an employment relationship directly with the employer, not an intermediary entity.
- Regarding the employment conditions, FNV insists on the provision of open-ended contracts which provide the minimum wage or the salary corresponding to the collective agreement of the relevant sector.
- Also, the jobs should provide enough working hours for financial independence and guarantee the right to training.
- FNV underlines the importance of considering the desires and preferences of the workers in these jobs.
- There should be no “flow-through” obligation to start working in another job in the private sector.
- Furthermore, it is crucial that participation in the programme remains voluntary – individuals should take these jobs willingly, without pressure or sanctionary measures from the (local) authorities.
- Workers under the “*basisbaan*” should be granted the same co-determination rights akin to other employees.

Marienthal Job Guarantee Project (Austria)

Background:

- In 2020, a Job Guarantee pilot scheme commenced in the Lower Austrian municipality of Gramatneusiedl, intended to last for three years.
- Administered by the Lower Austrian Public Employment Service, the scheme ensures that any resident unemployed for nine months or more is offered a job at least at the minimum wage level according to the relevant collective agreement. The public sector may provide these jobs or subsidise jobs in the private sector, and participation is voluntary.
- Participants are supported by professionals like social workers, doctors, and psychologists during a two-month preparatory period, . They are then supported in finding a subsidised private sector job or in creating a new job tailored to their skills and community needs. The project costs EUR 29,841 per participant per year on average, whereas the average annual unemployment cost in Austria is around EUR 30,000.
- Job opportunities created include carpentry, renovation, gardening, elderly care, and office administration.

Assessment:

- The ÖGB welcomes the Marienthal job guarantee scheme, recognising it as an important project showing promising results.
- The ÖGB supports introducing a job guarantee scheme in Austria. They propose “Chance 45+”, offering individuals aged 45 or older, unemployed for over two years, permanent job opportunities with the remuneration based on the relevant collective agreements and workers’ age and work history. The ÖGB emphasises the need to incorporate the Marienthal pilot scheme’s outcomes into the planning of this proposed scheme.
- Adequate public funding is imperative for the success of such programmes.
- The ÖGB also advocates for a Job Guarantee within the context of the need for a just transition. Workers affected by structural labour market changes should receive guarantees of equivalent jobs in terms of pay, working conditions, and qualifications. This includes support for transitioning to new jobs and creating new, high-quality job opportunities. Affected workers should also receive public assistance until securing new jobs in their field or acquiring new qualifications.