



New EU funding for innovative ideas to reduce long-term unemployment and help people find jobs

Brussels, 18 April 2024

Today, the Commission launched a <u>call for proposals</u> worth \in 23 million to help EU Member States develop new ways of tackling long-term unemployment and support people to find their way back into the labour market. This was announced in the recent <u>action plan to tackle labour and skills</u> <u>shortages in the EU</u>.

Through this call for proposals, funded under the "Social Innovation +" initiative of the <u>European</u> <u>Social Fund Plus (ESF+)</u>, the Commission aims to build on previous promising initiatives and to strengthen the role of social economy organisations. These organisations prioritise social and environmental purposes and reinvest most of their gains back into their initiatives. They have a proven capacity to support people who have suffered from isolation and poverty as a consequence of long-term unemployment.

New approaches to help people find jobs

While employment figures in the EU are at a record high with 75.5% in the fourth quarter of 2023, tackling long-term unemployment – meaning people who have been out of work for more than a year – remains an issue in many Member States. In 2022, 4.5 million people over 25 years old in the EU were registered as long-term unemployed.

The longer a person stays unemployed, the more difficult it is for them to find a job, increasing their risk of poverty and social exclusion. Traditional measures, like training without individualised support, are often insufficient to address the issue effectively.

Looking for solutions, a recent EU-funded <u>report</u> has shown the potential of innovative approaches like so-called "job guarantees" to help long-term unemployed people re-enter the labour market. Such measures help find or create jobs that are a good fit to people's profiles, while addressing the needs of their local communities. These schemes can have wide benefits: they can provide useful services at an affordable cost for the local community, offer a new pathway to employment for people who have been out of work for a long time and help fill labour and skills gaps.

Thanks to these initiatives, long-term unemployed people can start building their financial independence, professional growth and self-confidence. This improves their prospects for future employment in the wider labour market, supporting their social and economic inclusion.

Examples of innovative approaches

The report on "<u>Job guarantees and other innovative approaches</u>" highlighted examples for initiatives that successfully supported long-term unemployed people. For instance:

- The <u>Marienthal Job Guarantee Pilot</u> in **Austria** offers a job with fair pay to all people unemployed for a long time.
- In **France**, the <u>Zero Long-Term Unemployment Territories</u> initiative helps to hire people who have been jobless for at least one year. It assesses people's skills and aspirations, matching them with community needs, and creating jobs that address those needs. The project redirects the savings from cash benefits otherwise paid to unemployed people towards creating these jobs.
- A similar approach has also been introduced in **Belgium**, with
 <u>17 zero long-term unemployment territories</u> set to be launched in Wallonia, with support
 from the European Social Fund Plus (ESF+).
- The <u>Solidary Basic Income</u> initiative in Berlin, **Germany**, aims to tackle long-term unemployment by offering 1,000 job opportunities to people who have been unemployed for up to five years.

EU action to support Member States

This afternoon, the European Commission will participate in an <u>event</u> hosted by the Committee of the Regions exploring how the EU institutions can work together to support Member States in tackling the issue of long-term unemployment.

The event will feature President of the European Committee of the Regions Vasco **Alves Cordeiro**, and Commissioner for Jobs and Social Rights **Nicolas Schmit**, alongside Members of the European Parliament, Members of the Committee of the Regions, and other high-level speakers.

The event will be <u>streamed online</u> with interpretation available in English, French, and Spanish.

Next steps

Organisations have until 30 September 2024 to submit their proposals, following the instructions set out on the <u>website of the call</u>, which must involve organisations from at least two different countries within the EU, Iceland, Montenegro, Norway and Serbia. Projects can last up to 36 months and may receive grants ranging from $\leq 1-3$ million per project.

An online session on 28 May 2024 will offer a chance to ask any questions about the call, while a match-making session will also be organised to facilitate the creating of new partnerships to build projects. Information on both sessions will be made available on the <u>webpage for the call</u>.

Background

The <u>European Social Fund Plus (ESF+)</u> is the European Union's main instrument for investing in people and supporting the implementation of the <u>European Pillar of Social Rights</u>. With \notin 95.1 billion from the EU budget for the period 2021-2027, the ESF+ provides an important contribution to the EU's employment, social, education and skills policies, including structural reforms in these areas.

Within the ESF+, the <u>Social Innovation+ initiative</u> is dedicated to developing and transferring innovative solutions to societal challenges, particularly in the fields of employment, education, skills and social inclusion.

For More Information

Call for proposals

Report: '<u>Towards zero long-term unemployment in the EU: Job guarantees and other innovative</u> <u>approaches</u>'

European Social Fund Plus (ESF+)

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IP/24/2102

Quotes:

"The European project is about people. With the European Commission's initiative launched today, we ensure that no one is left behind. Regions and cities are implementing initiatives adapted to their local realities to address long-term unemployment. Through this call, they will be able to make use of ESF+ funds to better address this social, economic, and human challenge. The European Committee of the Regions stands as an active partner in fighting long-term unemployment." Vasco Alves Cordeiro, President of the European Committee of the Regions - 18/04/2024

"Long-term unemployment has dire consequences for society, the economy, and most importantly for the people affected. It is a waste of talent and productivity that Europe cannot afford. Across Europe, local authorities and social economy organisations have shown that it is possible to offer a fresh chance to those who have found themselves without a job for a long period. The EU will continue to tackle long-term unemployment, and support measures that promote quality jobs." Nicolas Schmit, Commissioner for Jobs and Social Rights - 18/04/2024

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