

Long-term unemployment amongst 45-64 year olds

Executive summary

A hand-drawn illustration in white lines on a dark blue background. A hand is shown from the bottom, gripping a rectangular sign. The sign has the text "I NEED A JOB" written in a simple, hand-drawn font. The background behind the sign is filled with dark blue, textured brushstrokes.

I NEED A JOB

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LONG-TERM UNEMPLOYMENT AMONGST 45-64 YEAR OLDS

REPORT

approved by the Plenary of the Catalan Labour, Economic and Social Affairs Council in the extraordinary session of September 14, 2017.



Consell de Treball,
Econòmic i Social
de Catalunya



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Image:

“Fondo con diseño de necesito trabajo” by Natanaelginting - Freepik.com / Free license with attribution

Barcelona, June 2017

1. EXECUTIVE SUMMARY

1.1. INTRODUCTION AND METHODOLOGY

1.1.1. OBJECT OF STUDY

The Economic, Social and Work Council of Catalonia (CTESC), on its own initiative, agrees to carry out a report on long-term unemployment among people aged 45-64 focused on the difficulties of labour reintegration. The ultimate objective of the report is to elaborate a set of considerations and recommendations to the Government in this area in accordance with the purpose of the CTESC, recognized in article 72.2 of the Statute of Autonomy of Catalonia.

The internal diversity of long-term unemployment has been taken into account across the entire report from the point of view of people's gender and age, as well as other characteristics (level of studies, activity sector, etc.), in accordance with the possibilities of the available statistical and qualitative information.

Unemployment in general and long-term unemployment in particular (the one above 12 months) are one of the main imbalances in labour markets and an important cause of the economic and social problems that currently affect millions of people around the world and in the European Union. Several international organizations and institutions have recently expressed their concern about this reality, which is considered one of the most important challenges faced by governments.

Long-term unemployment has significant personal, social and economic costs. In addition, as several studies have shown, long-term unemployment is self-reinforcing and turns into a vicious circle. If this situation lasts for a long time, the problems are further aggravated and the probability of labour reintegration decreases. Sánchez (2013) states in an article about long-term unemployment that being out of the labour market "sometimes feeds on stereotypes that pollute the selection processes" and in other cases one ends up "being the victim of the lack of culture in the field of permanent learning or of a system of intermediation in which the last profession is a label that tightens any option of growth or professional reconversion, to the detriment of the abilities and personal competences".

It must also be taken into account that long-term unemployment does not affect everyone equally but rather the opposite: it is a phenomenon that affects certain people with more intensity. Some data published on a State scale suggest the importance that, in comparison with other analyzed factors, acquires the variable age when explaining the probability that people fall into long-term unemployment. Thus, in accordance with Rica and Anghel (2014), under equal conditions, having over 45 years of age would increase the chances of falling into long-term unemployment by 50% with respect to people less than 30 years and by 30% compared to people between 30 and 45 years old.

Not in vain, in its biannual pension report (*Pensions at a Glance 2015: OECD and G20 Indicators*), the Organization for Cooperation and Development (OECD) draws attention to the "severe difficulties" faced by older unemployed people who wish to move to employment (2015: 78-79) and defines as "unacceptably high" (2015: 10) the older workers' long-term unemployment rates.

1.1.2. METHODOLOGY

The preparation of this report has been carried out on the basis of a documental analysis work and of quantitative and qualitative research techniques.

An extensive review of bibliographic sources has been carried out in relation to unemployment in general and to long-term unemployment among older people in particular. The selected bibliographic sources represent a wide variety of points of view and disciplines. In this way, the theoretical framework and the

other chapters of the report reflect the plurality of approaches that exist in the context of long-term unemployment among older people.

The application of quantitative research techniques to the object of study has involved the statistical exploitation of several official databases related to the labour market. Due to the limitations of databases, it has not always been possible to set bounds to the statistical exploitation according to the characteristics of the object of study (*i.e.* 45-64 years old population in long-term unemployment) or to additional crossings (*i.e.* sectors and occupations, educational level, gender, territorial scope and so on). Nonetheless, the interactive queries to public databases and access to detailed information based on *ad hoc* demands to different organizations have allowed to set a picture with information of economic and social interest.

On the other hand, the use of qualitative research techniques has consisted in the realization and analysis of 16 semi-structured interviews with 25 representatives of public and private organizations (*i.e.* public administrations, companies, trade unions and Third Social Sector entities). Field work was developed between July and December 2016. The interviews lasted about one hour and a quarter and were recorded in digital audio support. The selection of the 16 organizations that make up the field work sample has been based on criteria of qualitative representation, both regarding the type of resources and the territory, although the organizations that operate in the province of Barcelona have a notable presence.

A natural transcription of all the interviews has been made and a discourse analysis has been carried out based on a ranking system for variables or thematic areas inspired by the interview script questions.

1.2. MAIN RESULTS OF THE REPORT

1.2.1. THE POPULATION AGED 45-65 YEARS IN THE SITUATION OF LONG-TERM UNEMPLOYMENT

The consequences of the latest economic crisis on older people are unprecedented in the OECD countries (Sonnet, Olsen and Manfredi, 2014 and Wanberg, Hamann, Kanfer *et al.*, 2015). Unlike what happened in the recessions of the 70s, 80s and 90s, the economic crisis which broke out in 2008 has created a higher level of unemployment among young people than among older people. On the other hand, long-term unemployment (more than one year) and very long-term unemployment (more than two years) particularly affect workers aged 45-64 who have lost their jobs. This situation coincides in time with a moment in which this group is the fastest growing labour force segment.

TABLE 1. Activity and unemployment of the working population by age group. Catalonia 2016

	16-44	45-64	16-64
Activity rate	80,2	77,0	78,8
Unemployment rate	17,0	14,1	15,8
Long-term unemployment rate	8,3	10,4	9,2
Number of long-term unemployed (thousands)	182	161	343
Incidence of long-term unemployment	48,7	73,9	58,0
Very long-term unemployment rate	5,6	8,1	6,6
Relative weight of the active population by age groups	58,9	41,1	100,0
Relative weight of the unemployed population by age groups	63,2	36,8	100,0
Relative weight of the long-term unemployed population by age groups	53,1	46,9	100,0
Relative weight of the very long-term unemployed population by age groups	49,6	50,4	100,0

Units: percentages and absolute numbers.

Source: own elaboration from the EPA (INE).

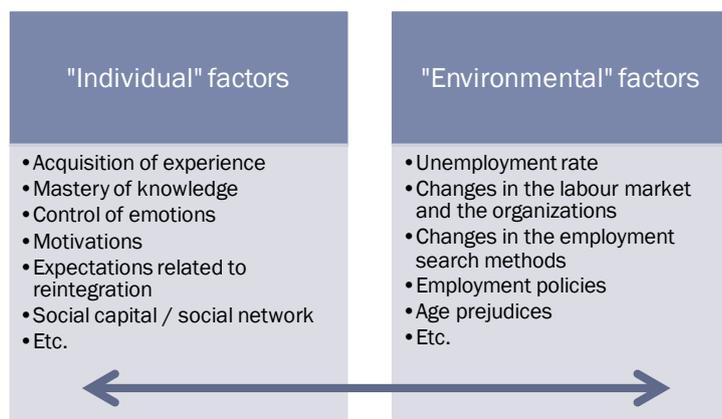
According to the data from the 2016 EPA, long-term unemployment seems to affect more people aged 55 to 59, female, of foreign nationality, with lower educational levels and which constitute one-person or single-parent households. Thus, the disaggregation of the data reveals the following:

- Age: the incidence of long-term unemployment in people aged 45-64 increases with age. Thus, 67.9% of unemployed people aged 45-49 years have been in this situation for more than one year, an incidence that rises to 81.8% in people aged 60-64. The highest long-term unemployment rate is recorded in people aged 55 to 59 (12.7%), followed by people aged 60-64 (11.2%).
- Sex: the incidence of long-term unemployment is similar in men and women (74.4% vs. 73.5%). However, the long-term unemployment rate is lower in men than in women (9.4% vs. 11.6%).
- Nationality: the incidence of long-term unemployment in people of Spanish and foreign nationality is not very different (73.7% vs. 75.0%) whereas the long-term unemployment rate is twice as large in the foreign population as in the Spanish (20.0% vs. 9.5%).
- Education: the incidence of long-term unemployment is reduced, roughly, as the level of studies increases: 79.6% in unemployed people with primary or lower education vs. 68.0% in people who have achieved higher education. At the same time, the long-term unemployment rate is four times higher among the unemployed people with primary or lower studies than among people with higher education (20.3% vs. 5.4%).
- Type of household: the effect of long-term unemployment is greater in one-person households (with an incidence of 77.1% and a rate of 13.0%) and in single-parent households (incidence of 81, 7% and rate of 12.1%).

1.2.2. THE TRANSITION OF UNEMPLOYMENT TO EMPLOYMENT

The main results of the meta-analysis around the age and labour reintegration reveal the existence of a negative relationship since the 1980s between the age of the people, on the one hand, and the speed and probability of work reintegration on the other. In addition, it is known that in the countries of Western Europe this negative relationship is accentuated at times characterized by a high unemployment rate (Wanberg *et al.*, 2015). However, the transition from unemployment to employment does not only depend on "environmental" factors but also on their interaction with "individual" type factors.

FIGURE 1. "Individual" and "environmental" factors that interact in social reintegration



Source: own production from Wanberg, Hamann, Kanfer *et al.* (2015).

On the basis of the data from the Labour and Productive Model Observatory, it can be pointed out that people aged 45-64 years in long-term unemployment have a lower probability of moving from unemployment to employment from one quarter to the next and a higher one to remain unemployed or to move towards inactivity than the people aged 45-64 years in short-term unemployment and than the people of 16 to 44 years in long-term unemployment. Even so, the differences are smaller in the peak years of the economic crisis: in 2011 and 2012. With the recent recovery, the differences are once again close to those that existed before the great recession. That is to say, a lower influence of the economic cycle is seen in the transition probabilities of long-term unemployed people aged 45-64 years than in the other two groups.

The increase in the probability that people aged 45-64 in short-term unemployment find an employment (from 15.4% in 2012 to 29.9% in 2016) should allow to slow down a part of the long-term unemployment by the way of entry (*i.e.* short-term unemployed who become long-term unemployed). On the other hand, however, the probability of moving from unemployment to inactivity has decreased, particularly in the long-term unemployed and specifically in those who have been looking for a job during four years or more. Therefore, the data indicate that this group will continue unemployed and will generate a situation of hysteresis or accumulation of more time in unemployment despite the existence of available vacancies in the labour market.

The interviewees are aware of the multifactorial nature of long-term unemployment. In any case, they do not attribute older people's accumulation of unemployment time to a supposed decline in their intellectual capacities. Empirical evidence corroborates the positive impact of experience and other strengths of older people (*i.e.* control of emotions, social competences, loyalty, etc.) in the work productivity and in the sustainability of organizations (Sonnet *et al.*, 2014). In fact, age diversity improves the results of organizations when the design of workplaces, time and training take into account the specific needs of the groups and the life cycles.

Within this context, the consideration of prejudices and age discrimination in the labour market becomes fundamental. Several studies highlight the importance that the population attributes to a reality that has worsened due to the economic crisis (Laparra, Zugasti, Martínez Virto *et al.*, 2014, Serrano, 2011). According to the CIS Survey on the perception of discrimination in Spain (2013), the percentage of people who consider that age discrimination is most or quite frequent has gone from 26.2% to 47% between 2007 and 2013. At the same time, age discrimination in the labour market is the most frequent of all the discriminations reported, according to the combination of reason and scope (includes 9.7%).

With regard to people aged 45-64, on equal conditions they are more likely to experience discrimination based on age. More specifically, older people constitute the group that experiences more age discriminations in the labour market: 12% claim to be victims of this practice. Moreover, women have a higher probability than men to suffer discrimination in general and in the workplace.

1.2.3. THE CONSEQUENCES OF LONG-TERM UNEMPLOYMENT

The most direct and immediate impact of unemployment -and especially of long-term unemployment- is the loss of income in household economies. In the medium term, the reduction of family consumption can have negative consequences on people's welfare if the access to some basic needs is postponed indefinitely (*i.e.* healthy eating, health services, education, training, culture and leisure) (Nichols, Mitchell and Lindner, 2013). According to the INE Survey of living conditions (ECV), 21.4% of people aged 45-64 are in a situation of poverty or social exclusion risk by 2015 in Catalonia. This percentage increases to 47.0% and 53.8% when people in this age group are unemployed and unemployed in the long-term, respectively.

At the same time, the negative effect of unemployment on wages after the reintegration into the labour market and on retirement pensions is well documented (Nichols *et al.*, 2013). This particularly affects women who have intermittently occupied jobs in feminized sectors with lower salaries and, therefore, have shorter benefits and with lower amounts.

In fact, people interviewed in the context of this study consider that in most cases the reintegration conditions of older workers are worse than the ones they had before the outbreak of the crisis. In this sense, it is mentioned that wages are comparatively lower, that the relative weight of temporary contracts and part-time work increases, and that work schedules are further away from the paradigm of reconciling work, family and personal life. Available statistical data confirm some trends of this perception. Thus, between the years 2006 and 2016 the indefinite hiring of workers between 45 and 64 years has been reduced from 20.3% to 13.8%.

Long-term unemployment has negative impacts on family life as well as on educational achievements and continuity and on the future income of children from families who suffer from this situation (Nichols *et al.*, 2013). Long-term unemployment also has consequences in neighborhoods and communities where it concentrates: it weakens and decapitalizes social networks and this acts to the detriment of the probability of people's reintegration, given that an important part of the job offers are informal and are mobilized by word to mouth. Vazquez-Grenno (2012) confirms through the EPA flow data that the most common job search method for the unemployed people, with 82.0% of use, is the activation of the social network (personal contacts).

The involuntary loss of the workplace and the accumulation of unemployment time also negatively affects the physical and mental health of the people who are in this situation, as well as that of their children (Observatory of the Health System of Catalonia, 2017). This is very important because inequality in early childhood is an important producer of inequalities in adulthood and in the capacities that promote the overall development of a society.

The negative impacts of anxiety and depression on lifestyles have been proven, especially in the case of men and older people. These impacts result, over time, in an increase in the risk of mortality and premature mortality (Catalano, Goldman-Mellor, Saxton *et al.*, 2011). The consequences of unemployment over people's mental health are broadened as time goes by and, especially, from the moment in which the contributory and non-contributory benefits are depleted. The differences found between countries regarding the unemployment-morbidity association suggest the importance that social policies may have on the welfare of people and families.

1.2.4. THE INCOME GUARANTEE

In this sense, most of the interviewed people agree to point out that the income guarantee is a favorable condition for labour reintegration, as it facilitates the job search, the participation in work activation processes and the follow-up and completion of training activities. For this reason, they agree that the complementarity between measures aimed at facilitating the transition from unemployment to employment and measures of social protection or guarantee of income must be ensured.

It is proven that the income guarantee system in Catalonia has a limited capacity to protect unemployed people. It should be noted: 1) the low amount of benefits and their limited subjective scope; 2) the existence of protection gaps that particularly affect the long-term unemployed; 3) the waiting times to access to some benefits and 4) to reactivate them after they have been interrupted by the transition to employment, once the employment contract is finished; 5) the incompatibility of benefits with paid work, except when the paid work is a part-time one; and 6) the lack of adequacy of the system to a socioeconomic context characterized by the chronification of many unemployment situations and the generation of short-term employment contracts.

These problems become evident in the evolution of the coverage rate for unemployment protection in workers aged 45 years and over in Catalonia, which has fallen from 84.4% in 2007 to 59.5% in 2016.¹ The unemployment protection system is designed to reduce the economic impact that is derived from the temporary lack of employment in a more favorable economic context.

All this can explain that interviewed people emphasize the access of unemployed people into the underground economy as a way to supplement an insufficient and discontinuous protection. However, this type of work is a source of inequalities, poverty and social exclusion because it does not give rise to rights.

1.2.5. EMPLOYMENT POLICIES

1.2.5.1. GENERAL FRAMEWORK

The length of working lives and the processes of labour reintegration can not be detached from employment policies. Some countries have carried out institutional reforms with the aim of favouring older's people labour continuity. Assuming the principle of equality and non-discrimination based on age theoretically involves the adoption of policies aimed at generating inclusive labour markets. However, the potentiality of the legal system might even discourage transitions from unemployment to employment when the regulation drives older unemployed to the early withdrawal from the labour market and the entry in the retirement situation, as in Spain (Serrano, 2011) and in other European countries (Been i Van Vliet, 2014).

Employment policies in Catalonia are developed within the framework of the Europe 2020 Strategy and the European employment guidelines. At the same time, the State Employment Law (2015) sets the basis of employment policies and the Spanish Employment Activation Strategy 2014-2016 reflects the employment policies that must be developed in the whole of the State. One of the objectives of this Strategy is to promote the employability of workers over 45 years of age in long-term unemployment. As for Catalonia, the Law for the organization of the employment system and of the Employment Service of Catalonia (SOC) establishes the principles of equal opportunities, non-discrimination, social cohesion and personalization of services. These principles are reflected in the Catalan Strategy for Employment 2012-2020 (ECO 2012-2020), which places as priority groups people over 45 years of age and those who are in long-term unemployment.

¹ Data include contributory and welfare benefits. In the case of the active insertion rent (RAI) all the suppositions are included.

However, there is no single practical measure or instrument currently in force in the State employment policy aimed specifically at this group of people. With regard to the Catalan employment policy, the interviewees criticize the absence of a strategic vision in the medium and long term as well as the lack of stability of measures such as training, guidance, competences recognition and accreditation and prospecting and intermediation, which have the character of a program rather than of services.

1.2.5.2. POLICIES FOR THE MAINTENANCE OF EMPLOYMENT

Regarding the policies for the maintenance of the older people's employment, it becomes clear that the logic of "active aging", with which it is intended among other things to prolong working life, collides with the reality of the labour market, where older workers have growing difficulties to maintain stable employment.

It should be noted that the State policies aimed at promoting the continuity of work life have been carried out basically through the reform of the social protection system, specifically through the tightening of access conditions to unemployment benefits and retirement. The results of the evaluations show that these measures are not effective. On the contrary, according to the OECD (2006) and to authors such as Sonnet *et al.* (2014), initiatives that do contribute to lengthening work lives are those that affect the supply (ie workers) and demand (ie organizations) in parallel: 1) economic incentives rewarding work continuity; 2) changes in the organizations practices to eliminate age discrimination; and 3) improvements in training to increase people's employability.

More recently, a set of measures has been developed throughout the State in order to reconcile the retirement pension with paid work, basically through the partial, flexible and active retirement schemes. Even so, management measures of age diversity are still lacking in organizations in a context of population aging, in line with what is done in some European countries.

In relation to the maintenance of employability, the relatively low access of older workers to continuous training must be assessed, although improvements have been observed in recent years. It should be emphasized that the accreditation of competences acquired through work experience or through non-formal and informal learning contexts are also key elements for the maintenance and improvement of employability. The Government of Catalonia highlights the importance of this issue through the approval in 2016 of the first Professional Accreditation and Qualification Plan 2016-2018, which gives priority to people over 45 years of age.

Despite this, reality is still far from political desideratums. Not in vain, training and competences accreditation generate a significant part of the critics that the interviewees formulate in relation to the instruments designed to favour both the continuity and the labour return of workers. With regard to training, there are significant time lags between the period of call for subsidies and the completion of training activities. At the same time, the content and the duration of the training actions do not fit either the needs of the people and the productive fabric nor the possibilities of the suppliers. Regarding the accreditation of competences, the annual program is clearly insufficient and is limited to a reduced set of competences.

1.2.5.3. POLICIES FOR LABOUR REINTEGRATION

With regard to labour reintegration policies, personalized attention, understood as the adaptation of services to the needs of each individual, has become a key factor in EU policies. As for Catalonia, reference must be made to the approval of a new SOC Professional Guidance Program in 2016, which envisages focusing on personalized attention applying a mentoring and monitoring system, as well as the application in 2017 of the integral programs methodology in the actions of the entities addressed to the 30-plus years old in long-term unemployment.

These instruments can be a step forward in favour of the insertion of collectives with more difficulties, given that the situation in Catalonia and in the State as a whole in the field of personalized attention and guidance still shows much room for improvement. In fact, most of the interviewees think that is necessary to guarantee a personalized and early attention to unemployed people in order to avoid the accumulation of unemployment time and discouragement. Several studies point to the positive influence that an intense and effective search for employment can have on the relationship between people's age and the results of labour reintegration (Wanberg *et al.*, 2015).

In fact, unemployed people tend to use more job search channels as they remain in this situation during the first year; from this moment on they begin to refrain from using them progressively (Vazquez-Grenno, 2012). The interviewees do not consider that the older workers are less motivated than the younger ones when looking for a job place but they get discouraged in face of their real possibilities of labour reintegration. In a recent State-wide report, Addecco (2014) concludes that the volume of job offers for people aged 45 years and over represents 6.6% of the total, compared to 53.2% in the case of people aged 25 to 34 years. The expectations of labour reintegration may be higher when the person who is seeking a job is satisfied with his/her social network and trusts in the results of the research (Petrucci, Blau and McClendon, 2015, O'Loughlin, Szmigin, McEachern *et al.*, 2016).

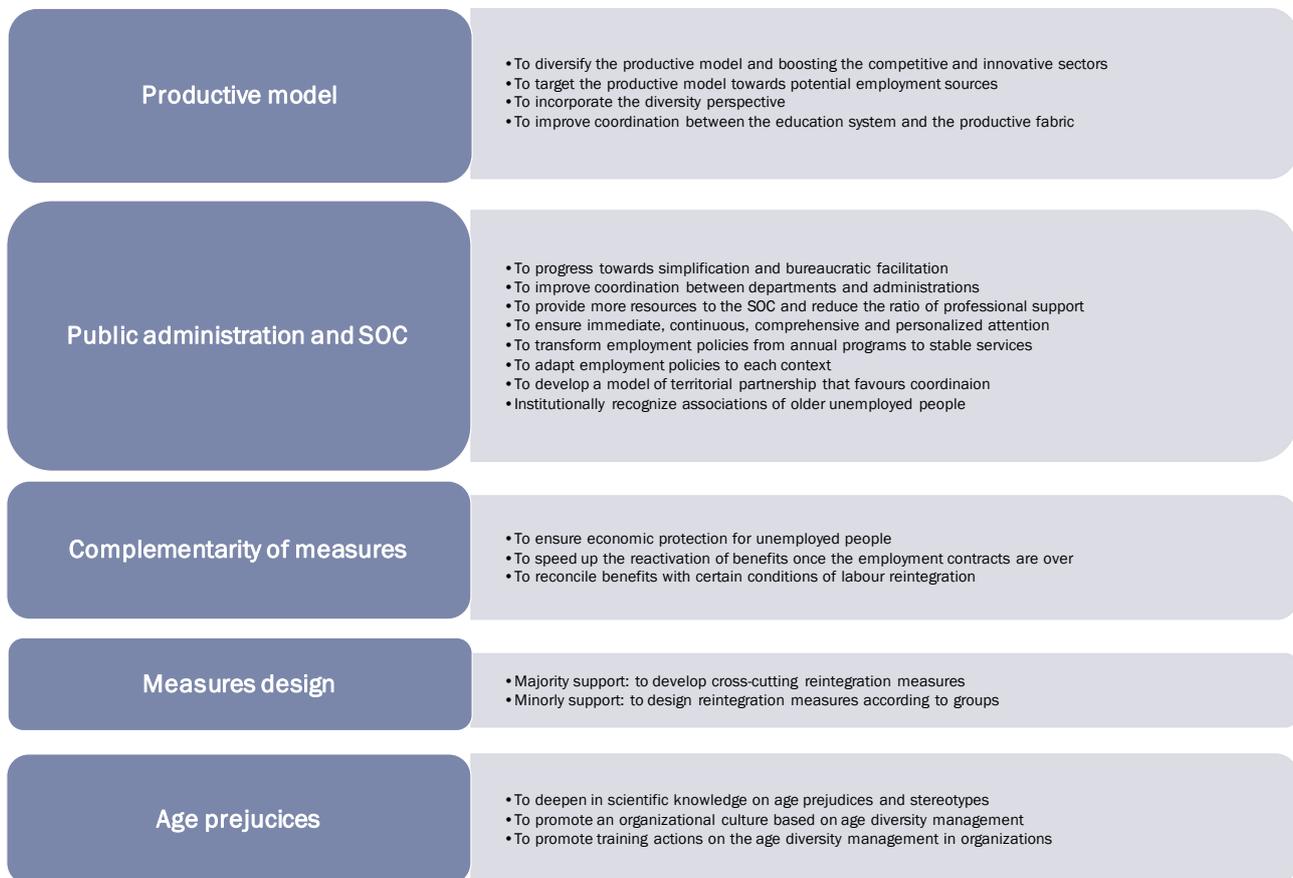
Having said that, the interviewees underline the potentials that could emanate from an early attention and guidance model focused on the needs of the unemployed and based on principles of action such as flexibility, proximity and emotional and psychological attention. Among the challenges ahead, the most outstanding ones are the high workload of the public employment services staff, the lack of profiling tools and the absence of a coherent activation strategy. For example, according to the SOC, in 2015 only 4.7% of people over 45 years of age and 2.4% of those who were in long-term unemployment participated in training actions for employment.

Finally, the interviewees also recognize prospection and intermediation as a potentially favourable function to the detection of needs and the reintegration of unemployed workers, particularly through training and work experiences, and criticize the scarce relevance that it has on the ground. On the contrary, Social Security bonuses generate divided opinions. On the one hand, two-thirds of people emphasize that they consume an important part of the resources allocated to public policies whereas they are not very efficient. On the other hand, a third of the people consider that, on equal terms, Social Security bonuses may favour hiring, especially if the procedures are simplified and if they are addressed to a small number of groups.

1.2.5.4. RECOMMENDATIONS

After taking stock of the situation, the interviewees formulate a set of general and specific recommendations that are summarized below:

FIGURE 2. General recommendations



Source: own production.

FIGURE 3. Specific recommendations

<p>Early attention and emotional support</p>	<ul style="list-style-type: none"> • To provide immediate and personalized attention • To ensure emotional and psychological support from the outset • To raise awareness of the negative impacts caused by the accumulation of unemployment time • Awareness and to empower in relation to the current socio-economic and labour context
<p>Personalized attention and orientation</p>	<ul style="list-style-type: none"> • To provide more resources to services and reduce ratios of professional attention • To ensure personalized attention ("tailored" to the needs of people) • To develop profiles of services users • To provide support for self-analysis and people's empowerment • To diversify job search methods and to strengthen the social network • To customize training needs • To combine laboral and social attention of people
<p>Income guarantee</p>	<ul style="list-style-type: none"> • To ensure economic protection for unemployed people • To combine employment policies with income guarantee
<p>Activation for employment</p>	<ul style="list-style-type: none"> • To guide unemployed people towards labour reintegration • To prioritize labour reintegration • To diversify job search methods
<p>Training for employment</p>	<ul style="list-style-type: none"> • To transform the annual training for employment system to a stable service • To adapt the training offer to the needs of individuals and companies • To promote the acquisition and reinforcement of transversal competences • To promote training actions that anticipate the transformations in the productive model • To reinforce the presence of employment training in the priority order
<p>Competences accreditation and recognition</p>	<ul style="list-style-type: none"> • To transform the competences accreditation system from an annual yearly basis programme to a stable service • To give more relevance to the competences accreditation as an employment policy • To extend the scope of the competences that can be accredited • To include competencies informally acquired and transferable to the labour market • To simplify and streamline procedures for the accreditation of competences
<p>Prospecting and intermediation</p>	<ul style="list-style-type: none"> • To allocate more resources • To highlight older workers value • To combine training actions with work experience actions
<p>Social security bonuses</p>	<ul style="list-style-type: none"> • Against: allocate these resources to other more effective employment policies • In favour: simplify the procedures and make the access requirements more flexible for companies • In favour: to recover the incentives policy for older people recruitment before 2012 • In favour: do not generalize the profiles giving rights to Social Security bonuses
<p>Second-chance mechanism of enterprises</p>	<ul style="list-style-type: none"> • To develop early business feasibility plans • To promote a rapid reaction system to insolvency problems • To ensure bank financing of companies • To improve sale and acquisition conditions of productive units within the creditors' competition • To welcome and accompany the person who has lost the company in his/her relocation process • To improve social perception in the face of business project failure

Source: own production.

1.3. CONSIDERATIONS AND RECOMMENDATIONS

The CTESC, on the basis of the results of this report, would like to convey a series of considerations and recommendations to the Government with the aim that they can be assessed when developing policies related to the long-term unemployment of people from 45 to 64 years old.

The CTESC is aware that some of the stated recommendations require a framework of competence superior to the one that the Generalitat currently has available. In any case, it is considered that this fact should not be an impediment to formulate them, given the ability of the Government to negotiate with other administrations the possibility of implementing them, as well as to influence the development of initiatives that incorporate the spirit of the submitted proposals.

1.3.1. ON THE NECESSITY OF POLICIES AIMED AT LONG-TERM UNEMPLOYED PEOPLE AGED 45-64

Unemployment in general and long-term unemployment in particular (that of active population who have been unemployed for more than one year) are one of the main imbalances in labour markets and an important cause of the economic and social problems that currently affect many countries in the world and the European Union. Several international organizations and institutions have recently expressed their concern about these realities, considered as some of the most important challenges faced by governments.

Throughout the report, an important corpus of empirical evidence has been collected that shows that long-term and very long-term unemployment (more than two years of job search) are realities that affect particularly older workers who have lost their jobs. According to La Rica and Anghel (2014), under equal conditions, being over 45 years of age increases the probability of falling into long-term unemployment in Spain: 50% with respect to people under 30 year of ages and 30% compared to people between 30 and 45 years of age.

According to EPA data, in the year 2016 people aged 45-64 represent 42.1% of the population aged 16-64 years and 41.1% of the active population of these ages. However, the population aged 45-64 concentrates 36.8% of unemployed people, 46.9% of people in long-term unemployment and 50.4% of people in very-long term unemployment. Within the group, long-term unemployment affects 73.9% of the total and very long-term unemployment affects 57.5%. In other words, almost 3 out of every 5 unemployed people aged 45-64 years have been unemployed for more than 2 years. The phenomenon, understood as hidden long-term unemployment, noted in the report, cannot be left out since it would still increase the data mentioned in this paragraph.

The report also found that this group has a lower probability of moving from unemployment to employment and, by contrast, a higher probability of remaining unemployed or moving towards inactivity.

There are several subgroups that have a higher long-term unemployment rate, such as: having an age between 55 and 59 years old, being a woman, having a foreign nationality, living in homes with 5 or more members or in one-person or single-parent homes, as well as having an elementary or lower education level. At the same time, in the theoretical framework and in some interviews it is found that workers who have worked for many years in the same company or jobplace generally have more difficulties in moving from unemployment to employment, and therefore, its unemployment rate is comparatively high.

In particular, the unemployment rate of workers with a primary or lower level of education is 25.5%, compared to 7.9% of those who have higher education. At the same time, long-term unemployment rates are four times higher for people with primary or lower education than with higher education (20.3% and 5.4%, respectively).

All the while, it is necessary to keep in mind a set of factors that play against older people when moving from unemployment to employment:

- A general trend towards the reduction of the social network as the age of people progresses, as well as an internal weakening or decapitalization of this resource as a direct consequence of long-term unemployment, especially in socially disadvantaged environments .
- A higher risk of lagging behind with regard to technological changes and the transformation of the needs in the labour market.
- Age negative stereotypes, such as that older people are poorly motivated, have lower productivity, less interest in training, more resistance to change or more problems of family conciliation. These stereotypes largely explain that age discrimination in the labour market is the most frequent of all the discriminations reported in the 2013 Survey of the Sociological Research Center (CIS) on the perception of discrimination in Spain.

The consequences of long-term unemployment could be defined in two broad areas: economic and social impacts, on the one hand, and impacts on the state of health, on the other.

- Regarding the economic and social impacts, it is obvious that the most direct and immediate impact of long-term unemployment is the loss of income in household economies. In the medium and long term, the reduction of family consumption can affect nutrition, the demand of health services, education and training, housing, leisure, and so on. At the same time, the involuntary loss of the workplace has negative effects on post-reintegration salaries, on retirement pensions and on the loss of social-labour opportunities for children. In this sense, there is empirical evidence that long-term unemployment can have a negative impact on school results, as well as on children's continuity in school. For its part, the qualitative analysis has also put on the table the negative consequences of long-term unemployment over family life. These include the emergence of family tensions related to the attribution of guilts or the emotional impacts associated with the difficulties in moving back to employment.
- Several studies, such as those of the Observatory of the Catalan Health System, report significant deteriorations of people's health in situations of unemployment and, above all, in long-term unemployment. The qualitative analysis of the report highlights the impact of long-term unemployment on people's mental health, both with regard to the erosion of self-esteem and confidence and the development of complex mental disorders.

1.3.2. DIMENSIONS OF A PUBLIC POLICY FOR COMBATING THE LONG-TERM UNEMPLOYMENT OF PEOPLE AGED 45-64 YEARS

The assumption of the principle of equality and non-discrimination due to age is the basis for the adoption of employment policies aimed at generating inclusive labour markets that contribute to overcome the limitations on access and maintenance of employment due to age. The chapter on employment policies in relation to people aged 45-64 has facilitated a very comprehensive radiography of the main elements that make up a public policy that aims to support these people, both with regard to the promotion of their permanence in occupation and labour reintegration -if they have lost their jobs- as through a guarantee of economic resources while in unemployment.

As a preliminary observation, it should be noted that in the qualitative analysis chapter there are recurrent references to the lack of resources of public policies that face the challenge of effectively tackling the needs that arise from the high figures of unemployment and long-term unemployment.

Lack of coordination between administrations, actors and specific instruments

An overview of the policies addressed to the target group reflects a lack of coordination between specific administrations, actors and instruments, especially in relation to the complementarity between income guarantee policies and those aimed at the reintegration of unemployed workers. In the Catalan case, this implies different administrative levels given the distribution of competences. This report has collected experiences from other countries that can be taken into account to correct the current situation. In this respect, Intreo's experiences in Ireland or Pole Emploi in France may be useful as organizations that combine the management of unemployment benefits and active employment policies. Another relevant experience is the German Mozart project, with the introduction of the single business window in this area.

Fragmentation of the income guarantee system

Another element of concern is the fragmentation of the income guarantee system in the unemployment situation, due to the lack of a comprehensive vision of policies in this area, which have been generating *ad hoc* partial solutions as new social risks have emerged. This has led to an unemployment protection system with protection gaps, especially in relation to long-term unemployment. As a result, some people may face poverty and social exclusion.

With regard to unemployment protection, the German non-contributory benefit could be used as an example that merges unemployment assistance (*Arbeitslosenhilfe*) and social welfare (*Sozialhilfe*) into a basic benefit for those who seek employment and that can be received for an unlimited period of time until retirement, provided that an active job search is accredited. As for the Spanish State, the employment offices only manage the welfare subsidies in the Basque Country. In this line, it is worth mentioning the proposal of a Guaranteed Income of Citizenship that is being discussed in the Parliament as an example of a possible coverage system to people and families with few resources or without income.

Discussion on specific or cross-cutting measures

The qualitative part of the report also raises a reflection on the debate about the desirability of designing occupational policies for specific groups or striving on the development of transversal measures. According to the majority opinion, specific measures harbor the risk of reinforcing the stigmatization of the collective to be protected as well as producing rigidities and exclusions since people have more than one diversity (ie age, gender, productive sector of origin, etc.). Conversely, cross-cutting measures have the virtue of bringing together different individuals, thus enriching and strengthening the cultural and social capital of people seeking employment, without prejudice of being able to provide, at the same time, tailored attention to specific needs. In addition, the use of ICT and artificial intelligence to the application of profiles, in conjunction with a true customized guidance, would increase the capacity for identification and management of the most needy people without having to apply the classic criteria used by the policies aimed at specific groups.

It should be emphasized that care for people in long-term unemployment implies a series of dimensions that are not limited to employment policies *sensu stricto*, given the consequences of this phenomenon in various areas (family, social, health, housing, etc.) and, therefore, in the overall well-being of individuals, families, children and communities.

Need for more structural policies

Lastly, but no less relevant to this, a reference should be made to the implication that policies of a more structural nature have on the configuration of long-term unemployment. In this sense, the characteristics of the current productive model, the lack of a true industrial policy and the deficits of the educational system generate concern and critical considerations in many of the social actors who have been interviewed in this study.

In this context, the CTESC recommends:

1. To bet on a truly comprehensive vision of long-term unemployment, coordinating employment policies with structural policies such as macroeconomic, productive, industrial, research and development, social and educational policies, as well as equality policies.
2. To make an effort to continue transforming the current productive model towards a more diversified and sustainable model without forgetting that we must continue to insist on the development of public policies for job creation (public investment, employment plans, etc.)
3. An active employment policy aimed specifically at people aged 45 to 64 in long-term unemployment. It is convenient to open a deep reflection on the transversal reintegration policies and measurement models.
4. Active gender-based employment policies aimed at eliminating the feminization of unemployment and poverty, especially in the case of women aged 45-64 in long-term unemployment.
5. As indicated by the Catalan Ombudsman, to articulate a Comprehensive Action Plan against discrimination on the grounds of age in the employment of older people, promoted or led by the Catalan Government.
6. To encourage the demand in order that the target group may have a place in the labour market. In this sense, a cultural change in companies and administrations should be promoted to encourage the recruitment of older people and the development of mentoring experiences in organizations. At the same time, it is necessary to implement new measures which generate employment for people aged 45 to 64, as is the case for young people, avoiding confrontation between groups and possible comparative grievances.
7. To identify emerging occupations, such as those related to the care sector, and retrain professionals from other sectors that are unemployed.
8. To combine employment measures with social and health care measures, including emotional support for the care of older people in long-term unemployment. To this end, it would be necessary that the employment services work together with the social and health services, which would provide unemployed workers with comprehensive care from a multidisciplinary perspective.
9. To improve coordination between active and passive employment policies.
10. To encourage coordination strategies between public administrations and the set of organizations, entities and associations that work to attend the needs of those who are unemployed.
11. To look for efficient coordination formulas between the different administrative levels that allow working side by side to give the best response to the user, despite the difficulties arising from the competencies harmonization. The impulse of instruments such as the single business window, through a stable and personalized dialogue, is a way to guarantee a much more careful attention.
12. To improve the efficiency of the Public Employment Service (SOC) and reinforce its role in labour intermediation in order to be a benchmark for individuals and companies. The SOC should improve coordination with private placement agencies in relation to the complementary functions attributed to them by Law 13/2015.

13. To undertake a comprehensive review of the social protection system aimed at people in situations of unemployment and their families in order to overcome the current situation of fragmentation which generates gaps in coverage, especially in the case of long-term unemployment.

14. To strengthen comprehensive support for families in situations of vulnerability resulting from long-term unemployment, taking into account the effects of this situation on all household members, especially on children.

1.3.3. MANAGEMENT OF MEASURES

Sometimes, the regulatory and managerial aspects of measures devoted to promote the employment of the target group may have distorting effects on the objective that is theoretically intended to be achieved with the application of the actions. Also, some key managerial principles to achieve the goal of job placement, such as early attention, should be related to the resources and tools available to make them effective.

As for the regulation and management in the current system of income guarantee in the unemployment situation, it can cause undesirable effects in the group that seeks to benefit. Here are three examples of how to discourage transitions from unemployment to employment and at the same time encourage the submerged economy:

- The slowness that characterizes the reactivation of some benefits once someone falls into unemployment can leave the beneficiaries without economic resources during this process. This particularly affects people receiving unemployment benefits and low-income support, such as dining scholarships, whose access is subject to a household income limit.
- As for older people in long-term unemployment, access to an employment contract can mean the loss of the right to early retirement, if this contract does not end with one of the causes that give access to it (causes related to business crisis situations). Therefore, access to employment through a temporary contract resolved after the deadline would prevent an early retirement.
- It is also relevant to add that the unemployment situation is, as a rule, incompatible with paid work, whether for self-employment or for others, except in the latter case in part-time work, although some exceptions are established, such as in the case of Activation Program for Employment (PAE) with the work for someone else.

Another issue related to the management of employment policies has to do with the operation of some measures on the basis of annual calls, which means that some capital actions, as well as guidance, training or accreditation of competences are not active throughout the year and, that, therefore, they are not stable services. This can lead to distortions in the system functioning which affect unemployed people.

Another element related to management which is essential to combat long-term unemployment is the intervention of employment policies as soon as possible when a worker loses his/her job, in order to avoid a discouraging effect on this group. It has been contrasted enough that the prolongation of the unemployment situation goes against the possibility of return to employment. As for the State sphere, Jansen (2016) warns that it may take nine months in average before the person who is unemployed receives the first occupational service. Also, a third of unemployed people receive the first service when they are already in long-term unemployment. Furthermore, it is found that there is a lower participation in employment service activities as age increases: only 10% of those aged 45 and over with a low educational level and 1 in 8 with a high educational level have participated in some type of measure.

In this context, the CTESC recommends:

15. To ensure that the intervention of the Public Employment Service occurs immediately when the worker enters the unemployment situation. All the agents involved should be coordinated quickly in a strategy oriented to the occupation of the people affected, given the negative influence of the accumulation of unemployment time on the probabilities of re-employment.

16. To make efforts to provide the public employment services with the tools and resources to enable early attention and regular and frequent follow-up of people who lose their jobs, given the high workload of staff.

17. To simplify and streamline administrative procedures related to the care and guidance of people in situations of unemployment, the activation and reactivation of benefits associated with the job loss, the access to training for employment, the registration in the autonomous regime and the processes of recognition and accreditation of competencies.

18. To undertake changes in the operational processes with which the administrations responsible for the design and implementation of employment policies work, in order to ensure that labour reintegration measures become a stable service and can be available throughout the year.

19. To review the adequacy of the activities of the employment services aimed at the group of people aged 45 and over in long-term unemployment, given the low participation of people belonging to this group.

20. To aim for a greater harmonization of benefits with certain conditions of labour reintegration, employment and contracting, to avoid the disincentive effect of accepting a job offer. This is of paramount importance mainly in the field of temporary work, part-time work or with lower wages than the unemployment benefit or the minimum interprofessional wage (MIW).

21. To review the regulations that rule the transfer of the over-55 allowance to early retirement, since they can have a disincentive effect on the transition from unemployment to employment.

22. To activate a Program for the assessment of measures included in policies aimed at unemployed people aged 45-64.

1.3.4 MAINTENANCE OF EMPLOYMENT. PREVENTION AND AWARENESS

The objective of keeping older people employed runs counter to the reality of the labour market in Catalonia, which makes it increasingly difficult for older people to maintain a stable employment.

In Spain, reforms have been carried out mainly through changes to the social protection system, focused on tightening the conditions for access to unemployment and retirement benefits, as well as on reconciling the retirement pension with work through partial retirement, flexible retirement or active retirement. However, there is a lack of effective measures to promote a) economic incentives to reward the work continuity for older people, b) changes in the practices of organizations and the promotion of age diversity management in the perspective of the life cycle and c) improvements in the training and employability of workers in line with what is being done in other European countries. In this sense, a remarkable experience is the Belgian Professional Experience Fund, which allows companies to obtain aid to evaluate the work capacity of people aged 45 and over, to analyze how their work environment can be improved or to improve working conditions to reduce risks related to the physical or psychological burden of work.

Another weakness is the low relative weight of older workers in continuous training, although there has been an improvement in recent years. An instrument that should be taken into account as a way to improve this situation is the Austrian wage subsidies for continuous training, which are available to all staff, although they are more generous with older workers.

A relevant issue is the possibility of accrediting the competences acquired through work experience or through non-formal or informal training and personal development, through the use of individual training permits. An experience to be explored in this area is the Finnish system, where the procedure of professional competences recognition is widely known and popular among the population, with a constant increase of requests to accredit them. In addition, since 2007, a process of "personalization" has been introduced, which includes a competency test in a real working context, an individual plan describing how, where and when the person must show the competences linked to the requested qualification; finally, if training to achieve qualification is needed, the candidate's needs in this area are identified, as well as the best way to acquire them (on-the-job learning, distance learning or in a training center).

Another key dimension consists of working in order to visualize the benefits of "intergenerational work" within companies, highlighting the strengths of older workers, such as labour and life experience, or the values that they contribute with, related to the sustainability of companies such as "responsibility", "commitment" or "loyalty." This would help breaking down stereotypes and prejudices about older workers, which are at the basis of discrimination of the collective that prevents their full participation in the labour market.

In this context, the CTESC recommends:

23. To articulate preventive actions to avoid the expulsion from the labour market of people aged 45 and over. We would have to bet on the use of professionals from declining sectors (many of them 45 and over) to redirect them to other jobs through recycling.

24. To promote information and social awareness campaigns aimed at improving the chances of job retention and outplacement of people over 45 years old, as well as putting into practice the experience and know-how of older people. In order to improve its impact, it is necessary to seek the cooperation of the Administration with the economic and social agents.

25. To introduce measures in collective agreements from a more comprehensive view. That is to say, that beyond regulating or establishing measures related to the maintenance or termination of the employment relationship, the organizational and adaptive needs of enterprises should also be taken into account, as well as the needs of workers in this age group, avoiding discrimination based on age.

26. To encourage, in the area of collective bargaining, the creation of work commissions that can analyze sectors likely to have an accreditation system of competences and the development thereof. The establishment of this system should not include, for workers, the obligation to accept it in order to continue to carry out their tasks, but rather a complement to the curricular recognition of the developed job.

27. As the Catalan Ombudsman says, given the demographic evolution, to encourage the establishment of measures to manage the age diversity for companies with a multidisciplinary approach (training, ergonomics, work organization, working time management and so on).

28. To promote the Public Employment Service to advise and support companies on the management of age diversity. An example in this sense is the German Public Employment Service Program, which advises SMEs on their training needs from an age perspective.

29. To encourage the inclusion of training content in courses, degrees and master degrees in human resources and business management that promote, on the one hand, recognition of the benefits of generational diversity management and, on the other hand, the assessment of competences, skills and experience of older people. Since most of the companies in Catalonia are SMEs, it is recommended to extend the training actions to the agencies, guilds, municipalities, as well as to any entity or organization that intervenes in people's management.

30. In line with the recommendations of the Basque Agency for Innovation, to promote relief contracts and similar figures, which include an intergenerational approach. Its use is aligned with the flexibility and organization of working time strategies that companies across Europe use to improve the management of age diversity in organizations.

31. To value the experience of people over 45 and to facilitate the transfer of knowledge to the youth, sharing their know-how. In the context of vocational training and dual vocational training it should be necessary to favour the intergenerational exchange of experience and professionalism of people over 45 years old towards the young through the figure of the tutor or mentor in the company, which should be reinforced with the necessary training to develop this function.

32. Based on what is regulated in the collective agreement, to promote mechanisms and practices of functional polyvalence to provide workers with a vision and practice as broad as possible to the productive cycle of companies.

33. As the Catalan Ombudsman says, to open a working group around the Labour Relations Council to design and analyze proposals for action on the management of age diversity in organizations and to open an in-depth debate on how to tackle integration of older people in a context of radical change in work and professions.

34. To encourage initiatives to provide guidelines to organizations on the benefits of managing age diversity, including measures, tools and best practices in this area.

1.3.5 TOWARDS AN INCOME GUARANTEE

It is an evidence that the time that a person is in an unemployment situation does not always coincide with the reception of a benefit that guarantees income. If we take into account contributory and welfare benefits, the coverage rate according to registered unemployment is 59.5% in 2016, while in 2007 this percentage was 84.4%. This level of coverage, without a doubt, explains, to a large extent the rate of risk of poverty or social exclusion (AROPE) suffered by this group, 53.8% in 2015, three times the rate that has the entire population of 16 to 60 years.² We can not forget that long-term unemployment affects not only the people who suffer it, but it also has effects on family members and communities. The most vulnerable group is that of children and young people: in 2016 there are around 130,000 minors under 20 years of age (9% of the total) living in households together with people from 45 to 64 years old in long-term unemployment.

This limited capacity of the income guarantee system has several causes:

- The low level of benefits, reduced in the last legislative reforms since the crisis.
- A limited subjective scope, which has become more evident with the latest reforms, which have restricted the criteria for access to some benefits. The most affected profiles by various types of

² We must remember that poverty data are calculated on the basis of the national average income. If we could have used the Catalan income, the percentage would have been higher.

restrictions are people without family responsibilities; self-employed workers; people who have some type of income, whether in the personal or family sphere; and people who do not have a previous relationship with the labour market.

- Situations of lack of protection caused by the legal system. A paradigmatic case is that of people who turn 55 with a long-term unemployment situation and who are consequently receiving assistance aids. These people cannot access the subsidy for people over 55 if they do not previously have an employment relationship that gives them the right to receive benefits or subsidies (a minimum of three months must be quoted).
- The waiting time to receive a benefit or to resume it after losing the job. One example is the Employment Activation Program (PAE), which incorporates as a requirement to have been 6 months outside the scope of unemployment protection.

All these reasons, together with facts related to the management of the measures, can encourage access to the submerged economy as a way to complement incomes that are insufficient. This type of work is a source of inequality, poverty and exclusion, insofar as it is not a generator of rights.

Another issue to bear in mind is that unemployed time may compromise the possibilities and conditions of access to the retirement pension, since only the allowance for people over 55 is quoted by this contingency and, with the last reform, it does so by the minimum amount. This should be linked to the latest reforms of the pension system (delayed retirement age, increase in the number of years required to collect 100% of the pension or the new regulation of contribution gaps).

In order to mitigate some of the situations described above, reference may be made to some international experiences which have chosen to establish specific rules on the protection of age-related unemployment. The Lithuanian case, for example, provides that people who have paid contributions over 25 years are entitled to a longer unemployment benefit. The Dutch case is also significant, because if the unemployed person is 60 or older, the amount of the benefit must cover at least 70% of the minimum wage. Once this benefit is over, all people are entitled to a minimum income, if they do not have sufficient means to cover the basic cost of living.

A pilot experience to be kept in mind is the Finnish basic income targeting long-term unemployed people for 2 years, replacing the unemployment benefit. Its perception is not conditional and can be combined with part-time work, temporary work or self-employment. This experience, among other objectives, aims to eliminate the disincentive effect of giving up a short-term or part-time job opportunity for fear of losing the benefit.

In this context, the CTESC recommends:

35. To review the in force benefits system legislation, as it does not fit the current situation and does not respond to new realities.

36. To guarantee people's economic protection while they are unemployed; in particular, the amount of benefits should be increased once the provision of contributory unemployment has been completed with the aim of enabling and promoting the participation of people in labour activation measures (training actions, job search, etc.).

37. To implement a system of Guaranteed Income of Citizenship that ensures that every citizen in unemployment situation has the basic needs met.

38. As the Catalan Ombudsman proposes, to consider the possibility of incorporating age-specific rules into unemployment benefits, such as a longer duration or a higher amount of unemployment benefits.

39. As the Catalan Ombudsman points out, to cover welfare benefits based on an objective situation of need and not on the availability of family incomes, which currently stands at 75% of the MIW, an income certainly insufficient to cover the needs of the majority of people. In addition, it is necessary to avoid that the improvement of family income penalizes the person receiving the subsidy.

40. As the Catalan Ombudsman proposes, to introduce the possibility to quote specifically for retirement in the social protection system for unemployment, from the age of 50, in order to avoid a negative impact on retirement rights.

41. To start the necessary actions in order not to leave people aged 45 to 64 years without family responsibilities without any type of financial support. This profile, like the other potential beneficiaries, should receive a benefit in front of an objective situation of need.

42. In this same sense, as the Catalan Ombudsman proposes, to guarantee a legal regime similar to that of employed workers for self-employed people who close their business after the age of 55.

1.3.6 BACK TO EMPLOYMENT

One of the main goals of any employment policy, as is obvious, is to facilitate the return of unemployed people to employment through attention and guidance systems.

If we analyze the occupations requested for the group under study in 2016, it is observed that 31.0% ask for jobs of elementary profiles, such as domestic employees, cleaning staff, food preparation assistants, waste collection, agricultural, forestry and fishing labourers, construction, industry and transport and logistics labourers. 18.5% require restoration, staff and salesmen works, 13.5% artisans, industrial and construction workers and 12.8% accounting and administrative clerks. The truth is that these desired occupations must find their fit in the existing labour offer in the territory. It is in this process of "matching" between supply and demand for labour that a series of instruments such as personalized attention and personalized guidance, emotional support, training and competences accreditation and mediation and outplacement acquire importance.

They all aim to increase the employability of this group. However, the qualitative chapter of this study warns that the appropriateness of many of these instruments to the needs of people and organizations and their level of effectiveness are seriously compromised due to temporary constraints and discontinuities derived from an implementation model subject to a schedule of annual calls, in the absence of permanent occupational services.

In this context, the CTESC recommends:

43. To ensure that the development of virtual environments does not create unequal access and increases the digital divide. We must work resolutely to explore the possibilities that Internet offers in many policy areas aimed at the return to employment, such as online mediation services, e-coaching or e-training.

44. To reaffirm commitment to comprehensive counseling, training and employment services that allow improving the employability of the people group aged 45 and older, promoting employment and outplacement in occupations different from those that they have developed over the years, if relevant.

1.3.6.1 TAYLORED ATTENTION AND GUIDANCE

Personalized assistance, understood as the adaptation of services to people's needs, has been considered a key factor in the EU employment policies, especially in relation to groups with greater difficulties of insertion in the labour market, as the collective object of analysis in this report.

We must make clear that both the Law 13/2015, regulating the employment system and the Public Employment Service of Catalonia, and Law 10/2015, on training and professional qualifications, provide that information and guidance are personalized, according to the personal and professional circumstances of each individual user, which allow to know their abilities, interests and professional profile, and manage the itinerary of qualification and job and social inclusion.

In Catalonia we can still observe a high workload of the staff of public employment services and a lack of profiling tools that allow to customize itineraries and develop an individualized activation plan.³ One of the key challenges in this regard is the reduction of the ratio between technical staff and unemployed people. According to Lope (2016) in Catalonia, this ratio is at 1 technical guidance for every 412 unemployed people.

Europe includes an important number of experiences in this line. In Germany, the cooperative employment offices (jointly administered by the municipality and the local public employment service office) provide a range of services such as the assignment of a contact person or interviews of regular surveillance with a contact interval between three and six months. However, certain programs such as the "Berlin Job Offensive" have opted for an intensive support reducing the number of job seekers for every technical guidance (ratio 1: 100) and contact intervals about 4 weeks, with successful results.

In our country, the report highlighted an experience of the Third Social Sector, "Work with Heart", a free program of guidance and support to job placement offered by Caritas of Barcelona. In the program, the figure of the advisory assistant has a vital importance in the job activation process, since he/she accompanies the candidate throughout the program. It is important to note that the adviser/user ratio is 1: 80. The starting point is a clear pattern of "work first", whenever possible; therefore, efforts focus on the systematic and autonomous job search with the support of the advisory person. The program has the ability to act flexibly when preparing people for the selection process, as well as to ensure social issues and even personal ones (purchase of appropriate clothing for interviews, hairdressing services, dentist and so on). Once found a job, the adviser keeps track of both the user of the program and the company during the first month. The results are encouraging: of the "Work with Heart" users until July 2016, 82.1% have found at least one job through the program or in post-completion months and 71% have managed to accumulate at least two and a half months of paid work along their way through the program.

In this context, the CTESC recommends:

³ In accordance with Jansen (2016), the profiling tools are used to measure the distance of unemployed people in respect of employment and in particular the probability that a specific person can end in a long-term unemployment situation. These tools are a prerequisite to the development of personalized services.

45. To deploy a comprehensive system for longlife personalized professional attention and guidance. Such a system would coordinate and harmonize the services offered from different organizations and areas to the diversity of groups, thereby improving efficiency and effectiveness.

46. To achieve a reasonable ratio between counselor and user in order that any guidance action has a minimal effectiveness. The experiences analyzed indicate that this ratio should not exceed 1 counselor for every 120 people guiding users.

47. To articulate a both initial and continuing training offered in the higher education system, specialized in guidance.

48. To start a good profiling tool for an easier development of a personal plan activation. Analysis of employability should be developed keeping in mind a model of competence management which would collect and vehiculate better the workers' professional competences, especially those of the older ones, beyond what certain parameters allow, such as the formation reached, the usual profession or occupation demanded.

49. To include in custom activation plans, where appropriate, measures aimed at strengthening the position of people who apply for a job through the promotion of transversal competences (social and communication competences, caring image staff, etc.) and promoting physical and emotional health.

50. Given the relevance of the relational environment of people in outplacement processes, promote that public services and other actors encourage individual attention with group work dynamics or community settings, with the aim of strengthening the social network of people in long-term unemployment and to combat social isolation problems affecting an important part of this group.

1.3.6.2 Training and qualification

Training for employment and competences accreditation are key parts for the reintegration into the labour market. Competences accreditation gives them visibility, because sometimes the person is not aware of having them and, instead, they are transferable to the labour market. In addition, the recognition of competences can positively impact on the self-perception and self-esteem of people affected by long-term unemployment.

In Catalonia we part from a low level of coverage of training for employment. Thus, in 2015, only 5,328 registered unemployed people aged 45 and older participated in some occupational training activity. As for the population aged 45 or older in long-term unemployment, the rate of coverage of occupational training is very low, at 2.4%. Participation also is reduced as age increases. As it is evident in qualitative research, several mismatches are detected on the training for employment since it does not always meet the needs of this group nor the demands of the productive fabric:

- Given the call and approval dates of the training actions, most of the supply is concentrated in certain periods of the year while there are others periods with almost no courses.
- The training format is restricted due to the regulatory framework governing the annual grants: it does not facilitate investment in training "infrastructure" and therefore there is little training offer that goes beyond certain professional families or a "computer and a blackboard" as expressed in the qualitative part of the report. At the same time, there is a tendency to offer short-term training due to fear of losing students throughout the course.

- The lack of adaptation of the training for employment in relation to the generational diversity or people's working life moments.
- Current short and medium term detection mechanisms or prospecting training needs of companies and sectors are weak.

Accreditation of professional competences is essential to improve job opportunities for people who, in some cases, have extensive work experience and professional competences without having an official recognition or a qualification endorsing them. This step is essential for the group to return to the labour market as soon as possible.

In this context, the CTESC recommends:

51. To improve the detection of current and future needs of the labour market in order to adapt and improve the training offer. We must also identify and address the training needs of older workers depending on the individual specific profile and not according to generic criteria or possibilities of training centers.

52. To ensure the right to lifelong learning, irrespective of age and employment status.

53. To promote quality training in order to improve the employability of the group under study through customizing training plans which also include the acquisition or reinforcement of the transversal competences. Also, where appropriate, facilitate knowledge and use of ICT.

54. To urge the Government to establish as soon as possible the System of evaluation and accreditation of professional competences, established in the Law 10/2015 of 19 June on professional training and qualification of Catalonia. While this system does not start up, it is recommended to boost competences assessments and accreditations by establishing permanent procedures aimed at 45 years old people and older to favour their access to employment. These processes should foresee the exemption or gradualness of tax rates based on income of applicants and a complementary training offer that leads to qualification for cases of partial cumulative accreditation.

55. To expand the range of open competences to professional recognition and accreditation, currently quite restricted due to annual calls addressed to a limited number of professional families. Competences and skills acquired through non-formal or informal learning paths should be incorporated into the accreditation system, given the value they may have in articulating outplacement processes.

1.3.6.3 MEDIATION AND OUTPLACEMENT

To increase the intermediation capacity of public employment instruments is probably one of the great challenges of policies aimed at the unemployed population. The challenge is even more substantial with respect to 45 to 64 years old long-term unemployed people. As the Infoempleo Adecco 2014 report shows, the volume of offers aimed at these people is really low, only 6.6% of all tenders published in Spain.

From the recruitment analysis recorded in 2014, the number of contracts increases again but the fact remains that the proportion of permanent contracts has fallen intensively. Thus, while in 2006 the indefinite contractual arrangements concentrated 20.3% of total recruitment, this percentage drops to 13.8% in 2016. The most common forms are the work and service contracts and the eventual one due to production circumstances, that dominate 71.3% of the total. If the gender variable is analyzed, the balance tips toward male hiring, with 53.7% of the contracts. It must be said that, in line with the labour demands

of this group, elementary occupations are also prevalent in recruitment throughout 2016, with 39.0% of the total, followed by occupations in the restaurant industry, personal and trade services (23.2%).

In this line, qualitative research confirms that wages following the reemployment processes are comparatively low and that high part-time recruitment is a largely involuntary question. A general worsening of hourly employment conditions associated with labour reintegration processes that go to the detriment of the reconciliation of work, family and personal lives of workers is also observed.

We must make clear that the role of public employment services in mediation is marginal: at the State level, only 2% of people who started a working relationship in 2012 acknowledge having had some contact with the public service that was helpful in the process of integration or reintegration (Fedea Policy Paper, 2016).

As for the outplacement policies, they include measures for the reemployment of workers affected by employment termination decisions of a collective nature. Since 2012 there is an obligation on the part of companies to offer an outplacement plan through authorized outplacement companies when the collective dismissal affects more than 50 workers. Anyway, if we consider the Catalan business fabric, with a vast majority of micro and small enterprises, this measure has a limited effect on the total of Catalan companies.

In this context, the CTESC recommends:

56. Based on the Law 10/2015 on professional training and qualifications, to introduce a permanent prospecting system for current and future needs of professionals by sectors and territories as well as for the competences associated with them, in the short, medium and long term. This system should have a greater supply of tools for analysis and prospecting equipment and relationship with companies as well as a knowledge management platform for sharing information among all stakeholders in the process.

57. To bet on the approach of the Public Employment Service (SOC) to companies, especially SMEs and micro-enterprises, to advise them on the benefits of hiring older workers and to combat existing negative perceptions regarding this group.

58. To check on the part of the labour authority the compliance of the outplacement plan with regard to the regulatory provision in order to give more extensive and intense attention to older people included in the plan.

1.3.6.4 PROMOTION OF SELF-EMPLOYMENT

Self-employment could become an option to extend working life. However, we should keep in mind that this is not a risk-free option and for which it is necessary to have adequate training and advice.

In recent years, there has been an increasing interest of public institutions to support and to promote self-employment and entrepreneurship. Nowadays there is no specific strategy to promote self-employment aimed to 45 to 64 years old group. However, there have been two significant regulatory changes in this area that could affect the target group: the first one, the age limit for the capitalization of 100% of the contributory unemployment benefit is eliminated; secondly, the requirement to have less than 30

years to access to the measure that allows reconciling the contributory unemployment benefit with self-employment is eliminated, too.

In this context, the CTESC recommends:

59. To encourage responsible entrepreneurship to avoid unintended consequences of indiscriminately encouraging everyone to undertake, as it can have unpredictable consequences and it would not bring anything in positive in the medium and long term. This caution is especially necessary in cases of people who undertake from a situation of unemployment and capitalize the benefit to which they are entitled and/or if they opt to loans or microcredit involving the assumption of the debt.

60. Promoting entrepreneurial culture in employment policies. Specifically, it would be necessary to value entrepreneurial education in the curriculum of the SOC aimed at people unemployed in order to improve business competences through training.

61. To activate measures to guide and accompany the process of self-employment in relation to economic aspects, business viability, bureaucratic procedures and business management. This support should also be extended to the phase of consolidation.

62. To improve access to financing, ensuring equal conditions between men and women in their access.

63. To continue to promote the approximation of the self-employment rights to the rights of paid employment. It is necessary to increase social protection in older entrepreneurs.

64. To reduce the risk posed by an entrepreneurial project, for example, by recovering the entrepreneur who has had a business failure, ensuring a second opportunity for companies and redefining the treatment of insolvency in order to facilitate the return to employment and economic activity of entrepreneurs. Also, we should combat the negative social perception of failure in business, which hampers the figure of the entrepreneur and businessman.

65. To opt for a true single business window and a single file for each initiative, serving for the entire project life cycle, as the single business window foresees.

1.3.6.5 HIRING INCENTIVES

In view of the confirmation that hiring incentives lose efficacy when universalized, this kind of policies have focused on groups with more problems in the access to employment. However, it is a controversial subject.

As for the qualitative research, most interviewees believe that Social Security bonuses are not effective and that they drain resources that could be devoted to other employment policies. On the one hand, it is considered that these instruments do not encourage the hiring of older workers, as organizations seek first people profiles with certain competences, abilities or credentials. On the other, it is noted that Social Security bonuses do not serve to create jobs but, at most, they can have a substitution effect of some groups of workers by other people. Nevertheless, some of the interviewees consider that hiring incentives can encourage reemployment of older people under certain circumstances.

At the State level, since 2012 there are no more measures to promote the recruitment and retention in the company through bonus contributions to Social Security, generically addressed to the older workers'

group. However, currently there are some measures linked to specific conditions of this group or certain contracts. Thus, we must mention incentives for hiring people over 45 with disabilities, those related to the so-called contract of support to entrepreneurs -which allows to hire people who are over 45 years old-, as well as bonuses for hiring people over 52 who are beneficiaries of unemployment benefits, if they meet certain requirements. Furthermore, there are also incentives for permanent hiring of unemployed people over 45 years or who are beneficiaries of the PREPARA Program, as part of new projects of young entrepreneurship.

However, in Catalonia, in 2016 a line of support for business under the Major Assets Program is called with the aim of hiring people over 45 years old who have been unemployed for six months. In 2016, grant awards to contracts from 6 to 12 months made to unemployed people participating in the labour and training program have also been presented under the same program. However, in qualitative research it is found that the conditions of access and the processing of applications to access to these grants are very complex procedures, which ends up favoring large companies, as they have human resources departments with capacity to manage all these processes.

If we analyze the policies of other countries in this field, we shall find a remarkable experience in the Austrian "Return Program", in which grants are awarded to businesses for hiring women from 45 years and men from 50. We can also highlight the French contract of professionalization oriented to older workers, so that they can acquire a professional qualification that favours their integration or reintegration into the labour market, which includes exemptions in social loads, an employment service help of 2000 euros and State aid for recruitment.

In this context, the CTESC recommends:

66. To consider the possibility of allocating part of the resources given to Social Security bonuses to other active policies measures, given the great weight that these instruments currently have within the employment policies and their low level of efficiency.

67. To simplify procedures to apply for the Social Security bonuses and the requirements to obtain them, with the aim to facilitate access for all companies regardless of their size.

68. Not to generalize the profiles that give entitlement to bonuses to Social Security or other similar measures, since it dissolves the potentially beneficial effect of this instrument for groups with more problems of access to employment.

69. If one wants to use the subsidized or bonused employment, it should be linked upon a certain guarantee of permanence in the workplace and upon the preparation of plans or programs on age equality.