Annex to RREUSE’s response to the Public consultation on integration of long-term unemployed into the labour market

Case studies from Belgium and Austria

RREUSE welcomes the Commission’s interest in following up on the evolution of long-term unemployment in the EU through a public consultation. RREUSE is a network representing social enterprises in the field of re-use, repair and recycling and our members are key actors when it comes to employing disadvantaged people distanced from the labour market, which includes long-term unemployed persons.

RREUSE took the consultation as an opportunity to present two concrete examples of members which are currently struggling to increase the employment of people who have been without a job for a long time.

1. The case of De Kringwinkels in Flanders, Belgium

Komosie federates 59 social enterprises with over 130 second-hand shops in Flanders, known as De Kringwinkel. Collectively, these enterprises provide in excess of 5,200 local and green jobs, the majority of which are to persons distanced from the labour market.

The Flemish government is known for its progressive policies promoting a circular economy, within which it asks De Kringwinkels to reach a target of 7 kg of re-used products per capita per year (increased from 5 kg which was already achieved).

However, in order for the social enterprises to be able to achieve the target they have to grow and employ more people which is becoming difficult due to a current lack of government support for helping employ additional workers in the sector.

Furthermore, the public employment service shows a lack of flexibility since they are not ready to adapt the criteria for people they direct to social economy enterprises to the criteria De Kringwinkels consider appropriate for the tasks that are needed to be performed in the re-use and repair sector. Social enterprises are willing to accept people with fewer skills than necessary for the task, but it is
clear that more coaching and training-on-the job is necessary. More time is needed to create the conditions in which these people can make a real contribution to the activities (or – in time - can move to a job in regular economy). The organisations themselves are responsible for this investment, otherwise they have to wait for new suitable candidates suggested by the public employment service.

**Impact on reducing long-term unemployment**

Although social enterprises such as De Kringwinkels are key actors when it comes to the employment of long-term unemployed persons, the aforementioned policy barriers must be addressed in order to be able to provide more local jobs and save more resources through re-use. In this specific case, the social enterprises are limited in the way they can expand. They cannot employ as many long-term unemployed people as they could if the government granted more support to them.

2. **The case of Aktion 20.000 in Austria**

RREUSE member RepaNet reported a deterioration in measures supporting the fight against long-term unemployment in Austria. Aktion 20.000, a programme designed to support 20,000 unemployed persons above the age of 50 to integrate permanently into the labour-market, was adopted by the former coalition government of social democrats and conservatives. Thanks to this programme, the government would have supported the employment of persons over 50 for up to 100% for up to 2 years. However, the implementation of the programme has been suspended, since the arrival of the new government (coalition of conservatives and far right). Although statistically unemployment decreased, unemployment for the elderly did not.

**Impact on reducing long-term unemployment**

In Austria, the proportion of long-term unemployed is higher for unemployed persons over 50 than the younger part of the population. A programme that was considered very progressive and was supposed to be an effective measure to bring long-term unemployed people back into the labour market has been suspended.

Additionally, it is worth mentioning that apart from tackling unemployment, this programme would have greatly supported the circular economy, since social enterprises in the field of re-use saw Aktion 20.000 as a great opportunity to increase their re-use activities. Generally, there currently is a severe budget cut, combined with higher integration targets also in other labour market funding programmes for social integration enterprises (SIEs), leading to a downsizing of SIEs all over Austria, with some of
them reducing or even ceasing their re-use and second-hand operations or at least thinking about moving to other business sectors with more market income to compensate the public budget cuts. In short: RepaNet members have to integrate the most vulnerable unemployed people (who have little or no chance in other integration programmes like trainings etc.) into the labour market at lower costs in a shorter time, which makes it harder or even impossible to contribute to the goals of re-use and circular economy in an adequate way according to their potential.

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RREUSE is an independent non-profit organisation representing social enterprises active in the field of re-use, repair and recycling, with 26 members across 24 countries in Europe and the USA. Our main vision is for Europe to support the role of social enterprise in a circular economy, providing meaningful work opportunities to thousands of vulnerable members of our community through innovative economic, social and environmentally beneficial activities. RREUSE’s primary mission is to help tackle poverty, social exclusion and a throwaway culture by promoting policies, best practices and partnerships that support the professionalism and development of social enterprises working in environmental services with high potential for local and inclusive job creation, notably re-use and repair.